Giełda Papierów Wartościowych w Warszawie S.A. Group
(Warsaw Stock Exchange Group)

Interim Report H1 2017

Warsaw, 27 July 2017

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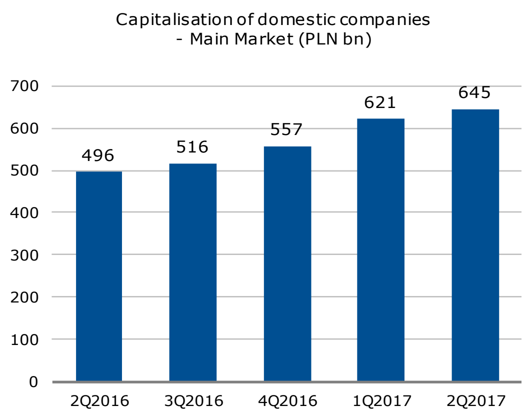
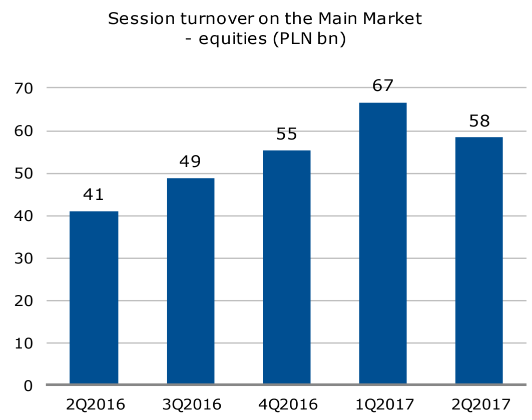
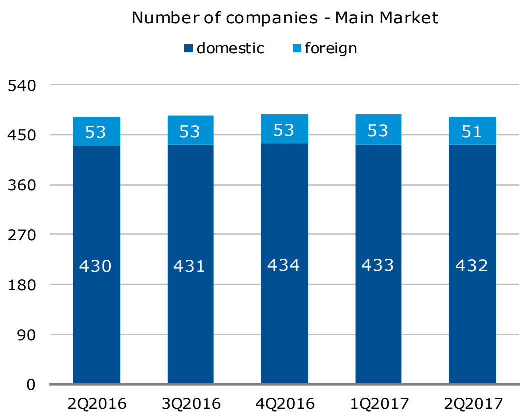
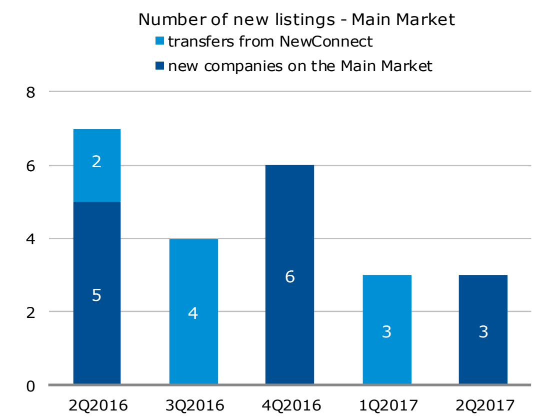
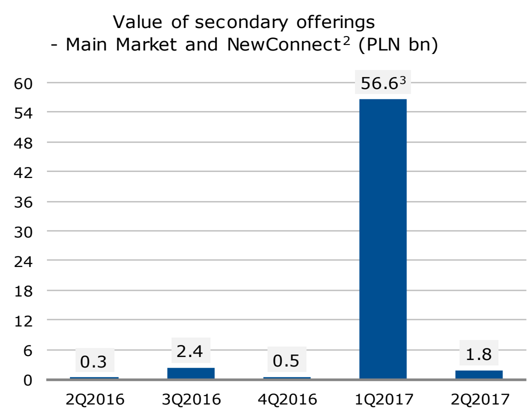
I. Selected market data[1]

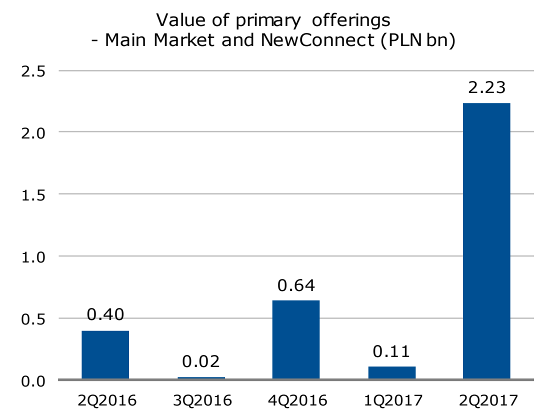




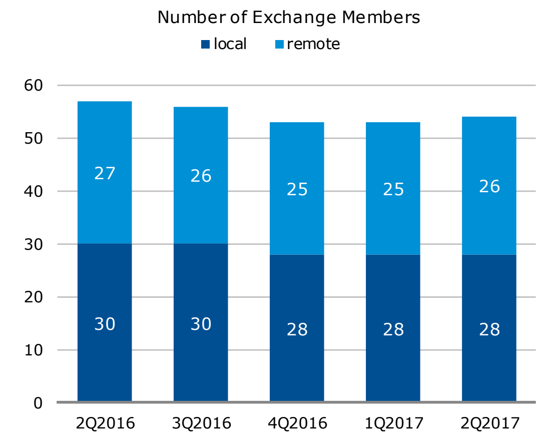


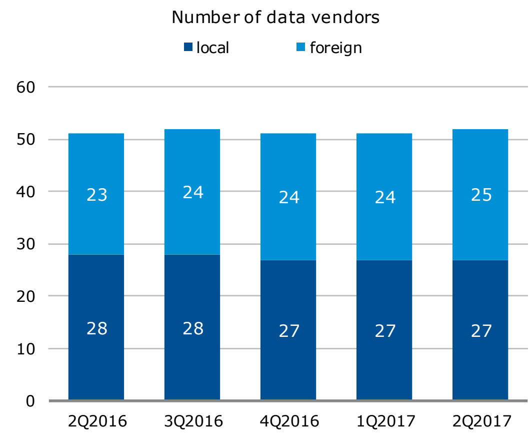


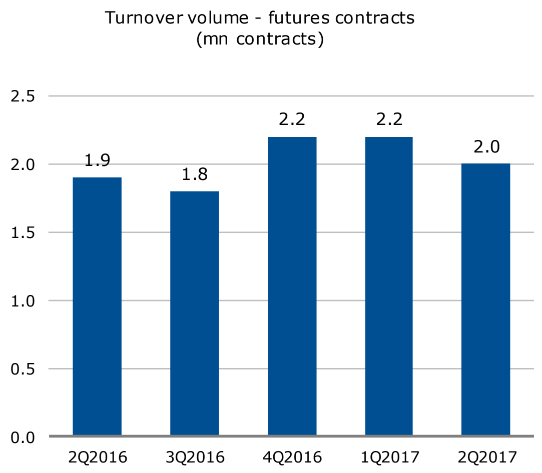


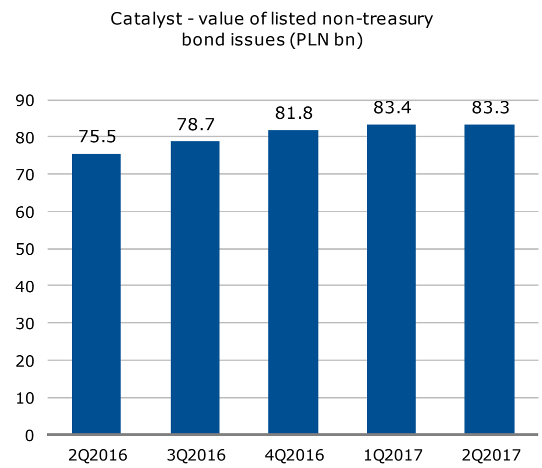


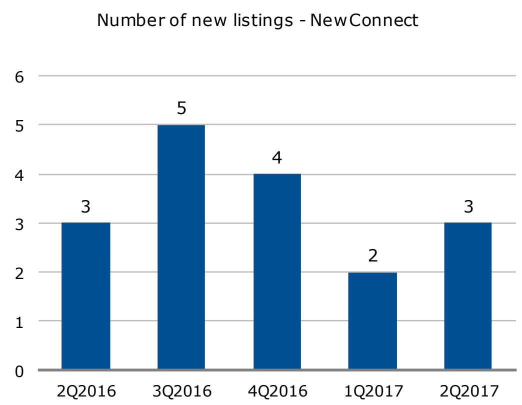
[1] All trading value and volume statistics presented in this Report are single-counted, unless indicated otherwise.
[2] Including offerings of dual-listed companies
[3] UniCredit S.p.A. completed a PLN 55.9 billion SPO in Q1 2017.

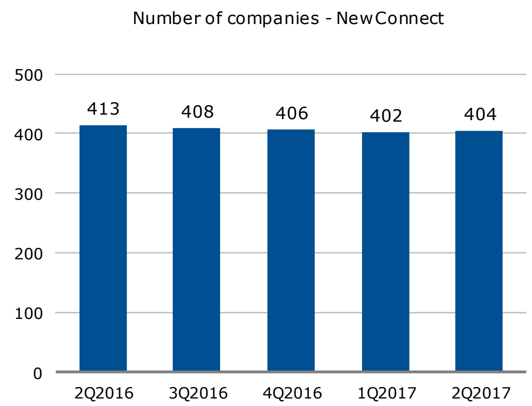

Number of Exchange Members
local
remote
60
50
40
30
20
10
0
27
26
25
25
26
30
30
28
28
28
2Q2016
3Q2016
4Q2016
1Q2017
2Q2017

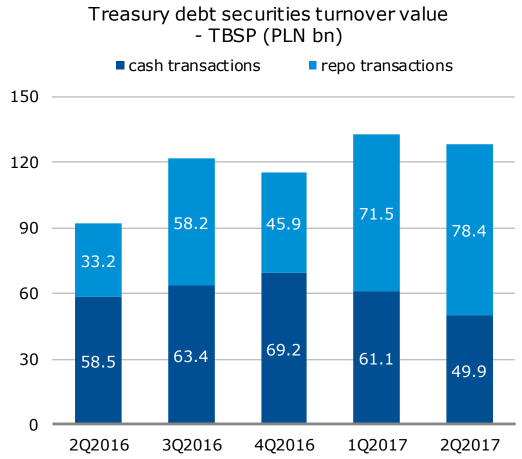

Number of data vendors
local
foreign
60
50
40
30
20
10
0
23
24
24
24
25
28
28
27
27
27
2Q2016
3Q2016
4Q2016
1Q2017
2Q2017

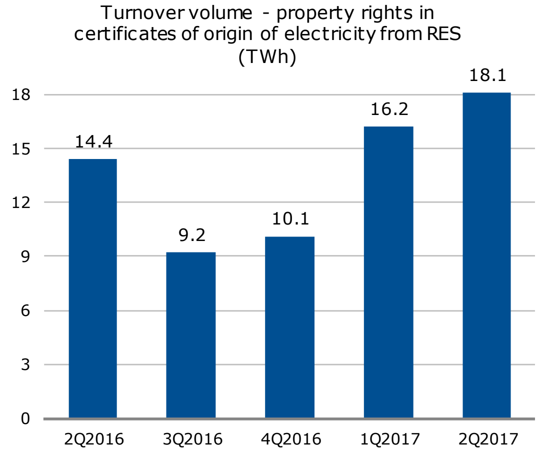

Turnover volume - futures contracts
(mn contracts)
2.5
2.0
1.5
1.0
0.5
0.0
1.9
1.8
2.2
2.2
2.0
2Q2016
3Q2016
4Q2016
1Q2017
2Q2017

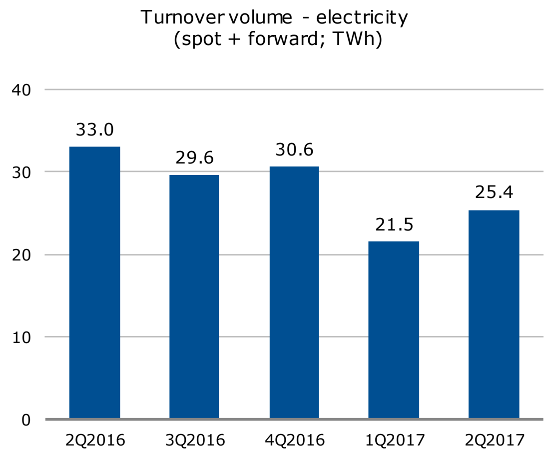

Catalyst - value of listed non-treasury
bond issues (PLN bn)
90
80
70
60
50
40
30
20
10
0
75.5
78.7
81.8
83.4
83.3
2Q2016
3Q2016
4Q2016
1Q2017
2Q2017

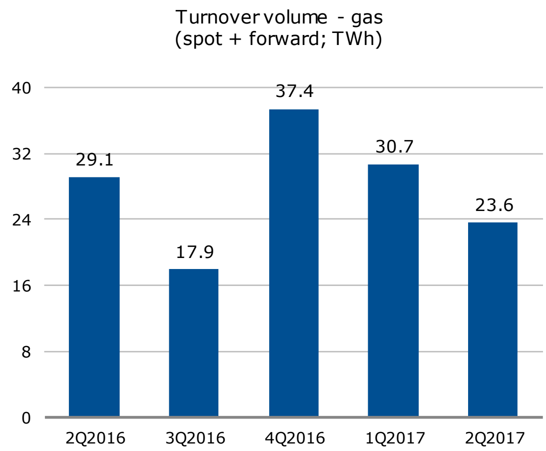

Number of new listings - NewConnect
6
5
4
3
2
1
0
3
5
4
2
3
2Q2016
3Q2016
4Q2016
1Q2017
2Q2017

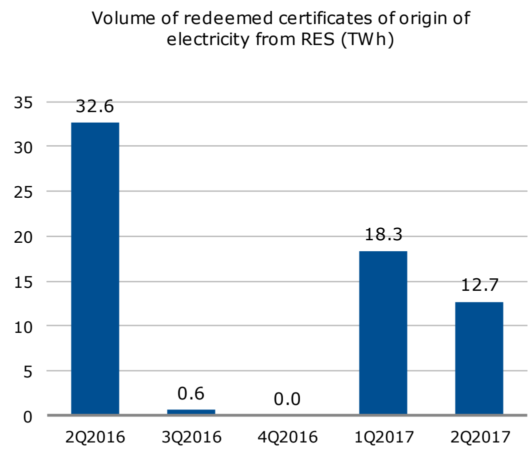

Number of companies - NewConnect
500
400
300
200
100
0
413
408
406
402
404
2Q2016
3Q2016
4Q2016
1Q2017
2Q2017

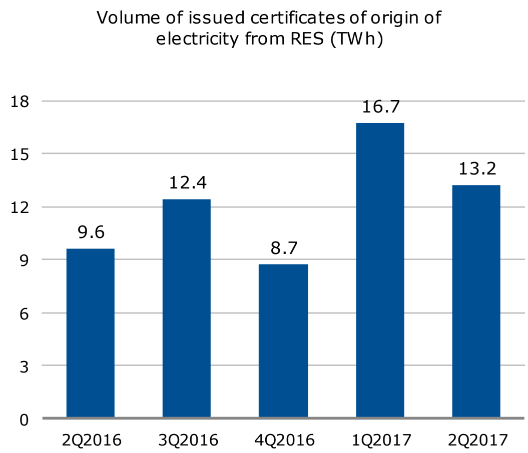

Treasury debt securities turnover value - TBSP (PLN bn)
cash transactions
repo transactions
150
120
90
60
30
0
33.2
58.5
58.2
63.4
45.9
69.2
71.5
61.1
78.4
49.9
2Q2016
3Q2016
4Q2016
1Q2017
2Q2017


Turnover volume - property rights in certificates of origin of electricity from RES (TWh)
18
15
12
9
6
3
0
14.4
9.2
10.1
16.2
18.1
2Q2016
3Q2016
4Q2016
1Q2017
2Q2017

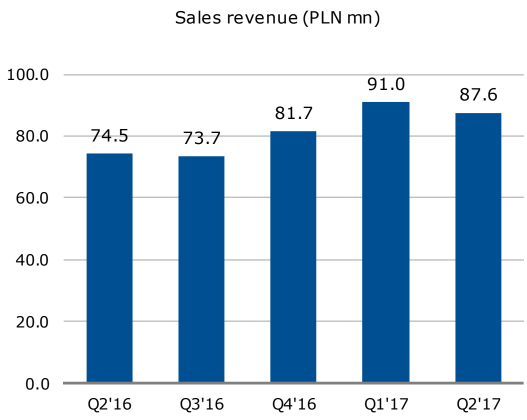

Turnover volume - electricity (spot + forward; TWh)
40
30
20
10
0
33.0
29.6
30.6
21.5
25.4
2Q2016
3Q2016
4Q2016
1Q2017
2Q2017

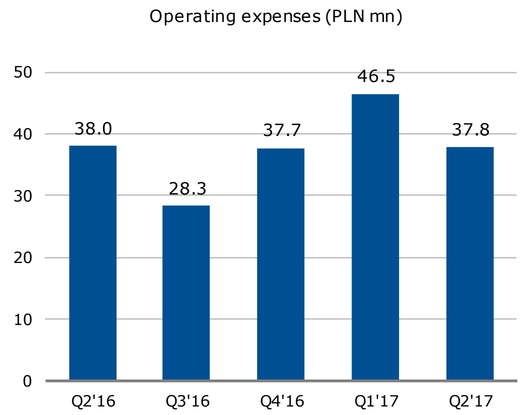

Turnover volume - gas (spot + forward; TWh)
40
32
24
16
8
0
29.1
17.9
37.4
30.7
23.6
2Q2016
3Q2016
4Q2016
1Q2017
2Q2017

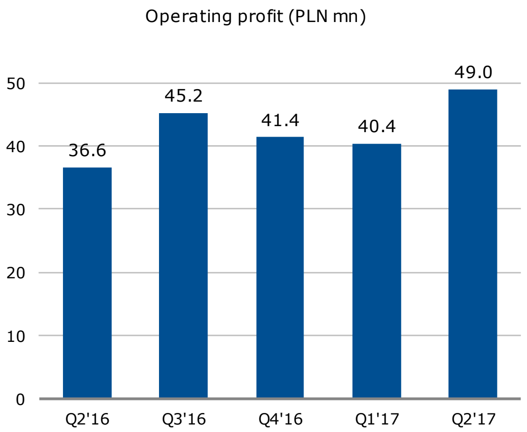

Volume of redeemed certificates of origin of electricity from RES (TWh)
35
30
25
20
15
10
5
0
32.6
0.6
0.0
18.3
12.7
2Q2016
3Q2016
4Q2016
1Q2017
2Q2017

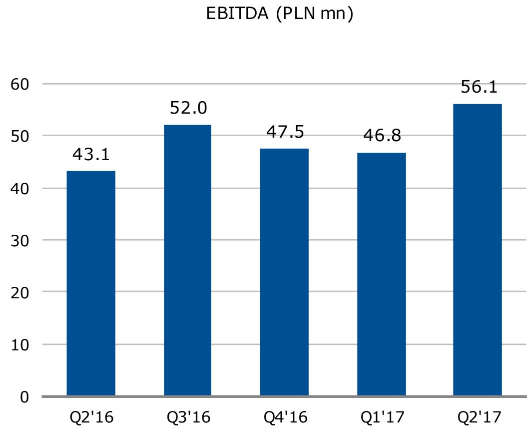

Volume of issued certificates of origin of electricity from RES (TWh)
18
15
12
9
6
3
0
9.6
12.4
8.7
16.7
13.2
2Q2016
3Q2016
4Q2016
1Q2017
2Q2017

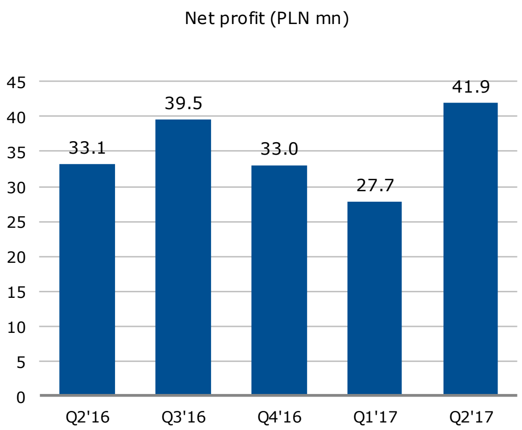
II. Selected financial data











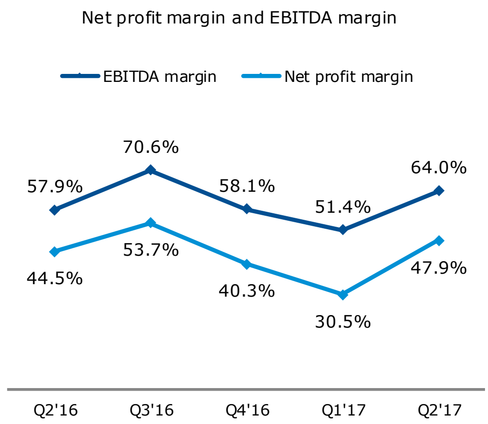


Table 1: Selected data in the consolidated statement of comprehensive income under IFRS, unaudited

	Six-month period ended 30 June			
	2017	2016	2017	2016
	PLN'000		*EUR'000* [1]	
Sales revenue	**178,669**	**155,492**	**41,839**	**35,612**
Financial market	**108,294**	**87,459**	**25,359**	**20,031**
Trading	74,812	54,891	17,519	12,572
Listing	12,412	12,000	2,907	2,748
Information services	21,070	20,568	4,934	4,711
Commodity market	**69,714**	**67,045**	**16,325**	**15,355**
Trading	33,223	30,756	7,780	7,044
Register of certificates of origin	16,897	15,751	3,957	3,607
Clearing	19,594	20,538	4,588	4,704
Other revenue	**661**	**988**	**155**	**226**
Operating expenses	**84,280**	**84,148**	**19,736**	**19,272**
Other income	361	552	85	126
Other expenses	5,282	610	1,237	140
Operating profit	**89,468**	**71,286**	**20,951**	**16,326**
Financial income	2,932	7,209	686	1,651
Financial expenses	10,048	5,909	2,353	1,353
Share of profit of associates	4,540	(14)	1,063	(3)
Profit before income tax	**86,892**	**72,572**	**20,347**	**16,621**
Income tax expense	17,200	13,938	4,028	3,192
Profit for the period	**69,692**	**58,634**	**16,320**	**13,429**
Basic / Diluted earnings per share[2] (PLN, EUR)	1.66	1.40	0.39	0.32
EBITDA[3]	**102,885**	**84,197**	**24,093**	**19,283**

[1] Based on average quarterly EUR/PLN exchange rate published by the National Bank of Poland (1 EUR = 4.2704 PLN in H1 2017 and 1 EUR = 4.3663 PLN in H1 2016).

[2] Based on total net profit

[3] EBITDA = operating profit + depreciation and amortisation

Source: Condensed Consolidated Interim Financial Statements, Company

Note: For some items, the sum of the amounts in the columns or lines of the tables presented in this Report may not be exactly equal to the sum presented for such columns or lines. Some percentages presented in the tables in this Report have also been rounded off and the sums in such tables may not be exactly equal to 100%. Percentage changes between comparable periods were calculated on the basis of the original amounts (not rounded off).

Table 2: Selected data in the consolidated statement of financial position under IFRS, unaudited

	As at			
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
	PLN'000		*EUR'000* [1]	
Non-current assets	**597,220**	**597,287**	**141,304**	**135,011**
Property, plant and equipment	113,777	119,130	26,920	26,928
Intangible assets	271,380	273,815	64,209	61,893
Investment in associates	201,590	197,231	47,697	44,582
Deferred tax assets	3,349	1,809	792	409
Available-for-sale financial assets	278	288	66	65
Prepayments	6,846	5,014	1,620	1,133
Current assets	**615,476**	**560,561**	**145,623**	**126,709**
Corporate income tax receivable	71	428	17	97
Trade and other receivables	89,069	113,262	21,074	25,602
Cash and cash equivalents	526,283	446,814	124,520	100,998
Other current assets	53	57	13	13
TOTAL ASSETS	**1,212,696**	**1,157,848**	**286,927**	**261,720**
Equity attributable to the shareholders of the parent entity	724,056	744,727	171,313	168,338
Non-controlling interests	535	525	127	119
Non-current liabilities	258,780	143,422	61,228	32,419
Current liabilities	229,325	269,174	54,259	60,844
TOTAL EQUITY AND LIABILITIES	**1,212,696**	**1,157,848**	**286,927**	**261,720**

[1] Based on the average EUR/PLN exchange rate of the National Bank of Poland as at 30.06.2017 r. (1 EUR = 4.2265 PLN) and 31.12.2016 r. (1 EUR = 4.4240 PLN).

Source: Condensed Consolidated Interim Financial Statements, Company

III. Information about the GPW Group

1. Information about the Group

1.1. Background information about the Group

The parent entity of the Giełda Papierów Wartościowych w Warszawie S.A. Group ("the Group", "the GPW Group") is Giełda Papierów Wartościowych w Warszawie Spółka Akcyjna ("the Warsaw Stock Exchange", "the Exchange", "GPW", "the Company" or "the parent entity") with its registered office in Warsaw, ul. Książęca 4.

The Warsaw Stock Exchange is a leading financial instruments exchange in Emerging Markets Europe (EME)[4] and Central and Eastern Europe (CEE)[5]. The markets operated by GPW list stocks and bonds of more than a thousand local and international issuers. The Exchange also offers trade in derivatives and structured products, as well as information services. Its 25 years of experience, high safety of trading, operational excellence and a broad range of products make GPW one of the most recognised Polish financial institutions in the world.

The GPW Group conducts activity in the following segments:

- organising trade in financial instruments and conducting activities related to such trade;
- organising an alternative trading system;
- operating the wholesale Treasury bond market Treasury Bondspot Poland;
- operating a commodity exchange;
- operating an OTC commodity platform;
- operating a register of certificates of origin;
- providing the services of trade operator and entity responsible for balancing;
- operating a clearing house and settlement institution which performs the functions of an exchange clearing house for transactions in exchange commodities;
- conducting activities in capital market education, promotion and information.

Basic information about the parent entity:

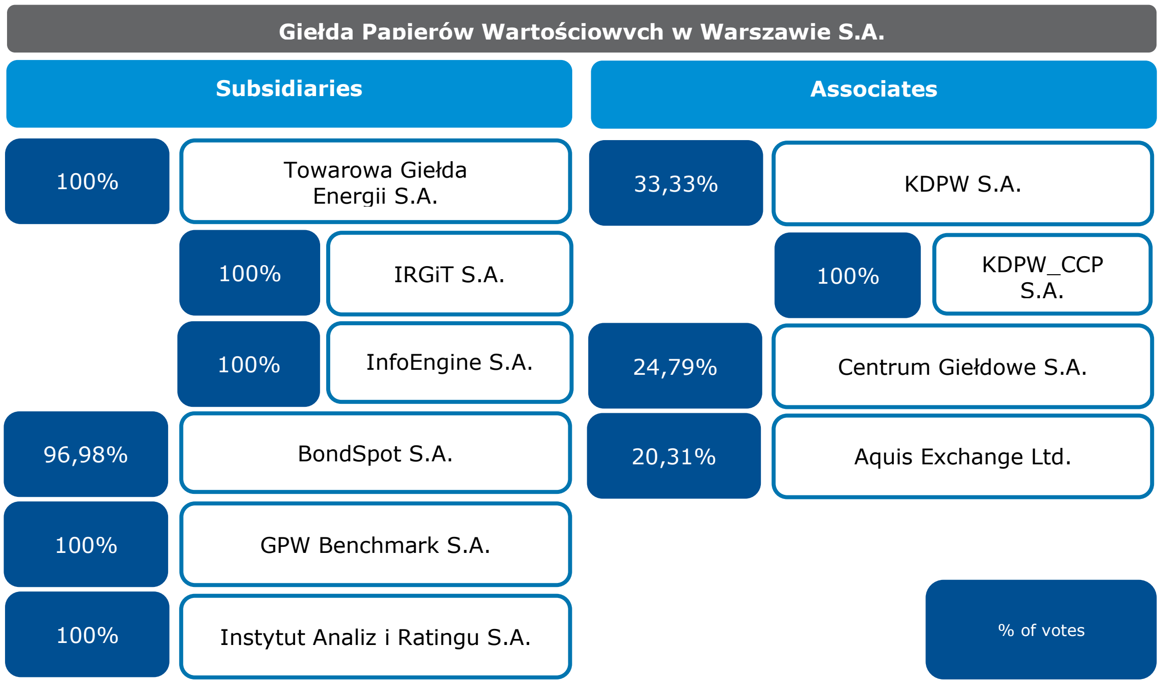
Name and legal status:	Giełda Papierów Wartościowych w Warszawie Spółka Akcyjna
Abbreviated name:	Giełda Papierów Wartościowych w Warszawie S.A.
Registered office and address:	ul. Książęca 4, 00-498 Warszawa, Poland
Telephone number:	+48 (22) 628 32 32
Telefax number:	+48 (22) 628 17 54, +48 (22) 537 77 90
Website:	www.gpw.pl
E-mail:	gpw@gpw.pl
KRS (registry number):	0000082312
REGON (statistical number):	012021984
NIP (tax identification number):	526-02-50-972

[4] EME – Emerging Markets Europe: Czech Republic, Greece, Hungary, Poland, Russia, Turkey.
[5] CEE – Central and Eastern Europe: Czech Republic, Hungary, Poland, Austria, Bulgaria, Romania, Slovakia, Slovenia.

1.2. Organisation of the Group and the effect of changes in its structure

As at 30 June 2017, the parent entity and four consolidated subsidiaries comprised the Giełda Papierów Wartościowych w Warszawie S.A. Group. GPW held shares in three associates.

Figure 1 GPW Group and associates



Source: Company

The subsidiaries are consolidated using full consolidation as of the date of taking control while the associates are consolidated using equity accounting.

GPW holds 19.98% of InfoStrefa S.A. (formerly Instytut Rynku Kapitałowego WSE Research S.A.), 10% of the Ukrainian stock exchange INNEX PJSC and 1.3% of the Romanian stock exchange S.C. SIBEX – Sibiu Stock Exchange S.A. GPW has a permanent representative in London.

The Group does not hold any branches or establishments.

1.3. Ownership

As at the date of publication of this Report, the share capital of the Warsaw Stock Exchange was divided into 41,972,000 shares including 14,779,470 Series A preferred registered shares (one share gives two votes) and 27,192,530 Series B ordinary bearer shares.

As at the date of publication of this Report, according to the Company's best knowledge, the State Treasury holds 14,688,470 Series A preferred registered shares, which represent 35.00% of total shares and give 29,376,940 votes, which represents 51.76% of the total vote. The total number of votes from Series A and B shares is 56,751,470.

According to the Company's best knowledge, as at the date of publication of this Report, no shareholders other than the State Treasury held directly or indirectly at least 5% of the total vote in the parent entity. The ownership structure of material blocks of shares (i.e., more than 5%) did not change since the publication of the previous periodic report.

The table below presents GPW shares and allotment certificates held by the Company's and the Group's supervising and managing persons.

Table 3: GPW shares, allotment certificates and bonds held by the Company's and the Group's managing and supervising persons as at the date of publication of this Report

	Number of shares held	Number of allotment certificates held	Number of bonds held
Exchange Management Board			
Michał Cieciórski	-	-	-
Jacek Fotek	-	-	-
Dariusz Kułakowski	25	-	-
Exchange Supervisory Board			
Wojciech Nagel	-	-	-
Jakub Modrzejewski	-	-	-
Krzysztof Kaczmarczyk	-	-	-
Bogusław Bartczak	-	-	-
Filip Paszke	-	-	-
Piotr Prażmo	-	-	-
Eugeniusz Szumiejko	-	-	-

Source: Company

As at 30 June 2017, there were 25 shares held by the Company's and the Group's managing and supervising persons, all of which were held by GPW Management Board Member Dariusz Kułakowski.

2. Main risks and threats related to the remaining months of 2017

The operation of the Warsaw Stock Exchange and the GPW Group companies is exposed to external risks related to the market conditions, the legal and regulatory environment, as well as internal risks related to operating activities.

The risk factors presented below may impact the operation of GPW in the remaining months of 2017, however the order in which they are presented does not reflect their relative importance for the Group.

Risk factors related to the sector of the Group's business activity

The Group faces competition from other exchanges and alternative trading platforms; their entry to the Polish market may adversely impact the activity of the Group and its subsidiaries, their financial position and results of operations

The global exchange industry is strongly competitive. In the European Union, competition in the trade and post-trade sectors is amplified by legal amendments designed to harmonise legislation of the EU member states and integrate their financial markets. The GPW Group may face competition of multilateral trading facilities (MTF) and other venues of exchange and OTC trade. Their activity on the Polish market could take away part of the trading volumes handled by the platforms operated by the Group and exert additional pressures on the level of transaction fees.

Risk factors related to geopolitics and the global economic conditions

Adverse developments affecting the global economy may negatively affect the Group's business, financial condition and results of operations

The Group's business depends on conditions on the global financial markets. Economic trends in the global economy, especially in Europe and the USA, as well as the geopolitical situation in neighbouring countries impact investors' perception of risks and their activity on financial and commodity markets. As global investors evaluate geographic regions from the perspective of potential investment, their perception of Poland and GPW may decline in spite of a relatively stronger macroeconomic situation compared to other countries of the region. Less active trading by international investors on the markets operated by the GPW Group could make the markets less attractive to other market participants.

Risk factors relating to laws and regulations

Risk associated with amendments and interpretations of tax regulations

The Polish tax system is not stable. Tax regulations are frequently amended, often to the disadvantage of taxpayers. The interpretations of regulations also change frequently. Such changes may impose higher tax rates, introduce new specific legal instruments, extend the scope of taxation, and even impose new levies. Tax changes may result from the mandatory implementation of new solutions under EU law following the adoption of new or amended tax regulations. Frequent amendments of corporate tax regulations and different interpretations of tax regulations issued by different tax authorities may have an adverse impact on the GPW Group and affect its business and financial position.

There can be no guarantee that certain amendments of the Value Added Tax (VAT) Act effective as of 1 July 2017, including the list of exempted services, will be neutral to the financial position and results.

The GPW Group operates in a highly regulated industry and regulatory changes may have an adverse effect on the Group's business, financial position and results of operations

The GPW Group companies operate primarily in Poland but they must comply with both national law and EU legislation. The legal system and regulatory environment can be subject to significant unanticipated changes and Polish laws and regulations may be subject to conflicting official interpretations. The capital market and the commodity market are widely subject to government regulation and increasingly strict supervision. Regulatory change may affect GPW and its subsidiaries as well as existing and prospective customers of the GPW Group's services.

The European exchange industry including the Company will be largely impacted by MiFID II and its implementing regulations

MiFID II will take effect in January 2018 following transposition to national law and enactment of implementing regulations. MiFID II modifies the detailed requirements for the provision of investment services, the organisational requirements for investment firms and trading systems, providers of market data services, and access rights of supervision authorities.

There can be no guarantee that the cost to the Company in the implementation and application of MiFID II will have no material adverse impact on the activity of the Group, its financial position and results.

Amendment of regulations reducing the activity of open-ended pension funds or replacing them with other collective investment undertakings which are less active as investors, and reducing or eliminating cash flows from and to open-ended pension funds, could reduce or eliminate their investment activity on GPW

Open-ended pension funds are an important group of participants in the markets operated by the Group. As at the end of 2016, open-ended pension funds generated ca. 5% of trade in shares on the GPW Main Market and held shares representing 20.9% of the capitalisation of domestic companies and 43.0% of shares traded on the Main Market (among shareholders holding less than 5% of the shares of a public company or classified as financial investors). They could also augment the risk of a large surplus of shares listed on GPW and curb the interest of other investors in such shares.

As a consequence, this could cause a significant decrease of trade in financial instruments including shares on GPW, a reduction of the number and value of issues of shares and bonds admitted and introduced to trading on GPW, and consequently a reduction of the Group's revenue and profit.

In July 2016, the Government published a proposal of a further reform of the pension system involving the nationalisation of a part of savings in open-ended pension funds and a transfer of 25% of liquid assets (cash, foreign stocks, bonds) to a Demographic Reserve Fund. The remaining 75% of the assets (Polish stocks) would remain in open-ended pension funds, which would eventually be transformed into investment funds. The final reform framework is still under development but the changes are expected to take effect in early 2018.

Amendments of Polish energy laws concerning the obligation of selling electricity and natural gas on the public market could have an adverse impact on the business of the Polish Power Exchange, its financial position and results of operations

The Energy Law requires energy companies which generate electricity to sell at least 15% of electricity produced within a year among others on commodity exchanges. Energy companies trading in gas fuels are required to sell at least 55% of high-methane natural gas introduced to the transmission grid within the year on an exchange. Amendments to or cancellation of these requirements could reduce the activity of certain participants of the Polish Power Exchange, restrict the liquidity of trade in electricity and natural gas and the attractiveness of the commodity market for other participants.

Furthermore, the Energy Law requires energy companies which generate electricity and are entitled to compensation (to cover stranded costs) for early termination of long-term power and electricity contracts[6] to sell the remaining amount of generated electricity (not covered by the 15 percent obligation) in a way that ensures equal public access to energy in an open tender on a market organised by the operator of a regulated market in Poland or on commodity exchanges. The number of entities subject to the obligation decreases with time, which could reduce their activity on the Polish Power Exchange, the liquidity of trade in electricity, and the attractiveness of the commodity market for other participants.

The Renewable Energy Sources Act, effective as of May 2015, could have an adverse impact on the business of the Polish Power Exchange, its financial position and results of operations

The Renewable Energy Sources Act of 20 February 2015 implements a new support scheme for the production of energy from renewable energy sources (RES) based on auctions, effective as of 2016. The existing system of green certificates of origin will expire on or before 31 December 2035. The support scheme may be phased out even earlier as certificates of origin are available within 15 years after the first day of power generation in an installation (confirmed with an issued certificate of origin). For RES installations which were the first to produce energy eligible for green certificates of origin (in 2005), the period of 15 years under the Act will expire in 2020, after which the existing support scheme will be gradually phased out over the years. Furthermore, the Act allows market players eligible for support under certificates of origin to move to the auction system earlier than after 15 years. Consequently, some of them may move to the auction system early (before 2020), which could affect the results of the TGE Group.

Furthermore, the Renewable Energy Sources Act limits the group of entities eligible for support under green certificates (by excluding large hydropower installations over 5 MW) and imposes restrictions on the issuance of certificates of origin for multi-fuel combustion plants.

These modifications and other provisions of the Renewable Energy Sources Act of 20 February 2015 and its implementing regulations could affect the activity of participants of the Property Rights Market and the Register of Certificates of Origin operated by the Polish Power Exchange and thus affect the results of the TGE Group.

Risk factors related to the business activity of the Group

The Company cannot control regulatory fees which represent a significant share of the Group's expenses

The Act of 12 June 2015 amending the Capital Market Supervision Act and certain other Acts largely extended the list of entities required to finance supervision (by adding, among others, banks, insurers, investment funds, public companies, brokerage houses and foreign investment firms) and changed the amount of contributions of entities. As a result, the cost of fees paid by the GPW Group was reduced significantly to PLN 9.1 million in 2016, compared to PLN 22.0 million in 2015. However, there is a risk of gradual increase of the cost in the coming years.

Furthermore, following an amendment of regulations governing fees paid to cover the cost of supervision of the capital market (as of January 2016) and in view of the provisions of an interpretation of the International Financial Reporting Interpretations Committee (IFRIC 21), the GPW Group has decided to change the timing of recognition of liabilities in respect of fees due to PFSA and of charging the fees to costs. Until the end of 2015, GPW recognised 1/12 of the annual fee due to PFSA in each month of the year. According to IFRIC 21, an entity recognises a liability for fees due to PFSA at the date of the obligating event. The obligating event is the fact of carrying out a business subject to fees due to PFSA as at 1 January of each year. Consequently, the estimated amount of the annual fees due to PFSA will be charged to the accounts of the GPW Group of the first quarter of each year.

However, the amount of the liability is not yet known at the time when it is recognised and charged because the Chairperson of the Polish Financial Supervision Authority publishes the rates and the

[6] Pursuant to the Act of 29 June 2007 on the terms of coverage of the cost of producers incurred due to early termination of long-term power and electricity contracts.

indicators necessary to calculate the fees in a public communique promulgated in the Official Journal of the Polish Financial Supervision Authority by 31 August of each calendar year. On that basis, the entities obliged to pay the fee will calculate the final amount of the annual fee due for the year and pay the fee by 30 September of the calendar year.

Consequently, the final amount of the fees due to the Polish Financial Supervision Authority may differ from the amount estimated by the GPW Group companies at the time of recognition.

The changes to the model of financing supervision on the Polish capital market resulted in a reduction of exchange fees as of the beginning of 2016 in order to offset the cost of supervision paid by other market participants as of 2016. The market could exert more pressures to reduce the exchange fees even further, which could reduce the revenue of the Group and have an adverse impact on the financial position of the Group and its financial results.

Risk of the take-over of the functions of fixing organiser

The Group acting through its subsidiary GPW Benchmark expanded its services as of 30 June 2017 following the take-over of the function of organiser of WIBID and WIBOR reference rate fixings from the Financial Markets Association ACI Polska and the functions of the calculation agent previously performed by Thomson Reuters. The Group will apply for authorisation as an administrator within the meaning of Regulation 2016/2011. In the opinion of the Company, the foregoing will not require material costs, and all the costs related to the take-over of the function of organiser and harmonisation with the requirements of Regulation 2016/2011 will be financed with the Group's own funds and contributions of participating banks paid under applicable agreements. There is a potential risk that the supervisory authority may refuse to issue the authorisation as an administrator.

Potential disputes or reservations concerning the performance of the functions of fixing organiser by a Group company could have an adverse impact on its perception by market participants and on its reputation, and entail third-party liability of the Group. Once the status of administrator is granted in connection with the application of Regulation 2016/2011 as of the beginning of 2018, any breach of the administrator's obligations could lead to civil, administrative or criminal liability.

IV. FINANCIAL POSITION AND ASSETS

1. Summary of results

The **GPW Group** generated EBITDA[7] of PLN 102.9 million in H1 2017, an increase of PLN 18.7 million compared to PLN 84.2 million in H1 2016.

The **GPW Group** generated an operating profit of PLN 89.5 million compared to PLN 71.3 million in H1 2016. The increase of the operating profit by PLN 18.2 million year on year was mainly a result of higher revenue from the financial market (an increase of PLN 20.8 million) and higher revenue from the commodity market (an increase of PLN 2.7 million). It should be noted that the increase of the revenue from the financial market was mainly driven by an increase of revenue from trading in equities and equity-related instruments.

The net profit of the **Group** stood at PLN 69.7 million in H1 2017, an increase of 18.9% (PLN 11.1 million) compared to the net profit of the Group at PLN 58.6 million in H1 2016.

GPW's EBITDA stood at PLN 56.5 million in H1 2017, an increase of PLN 18.6 million compared to PLN 37.9 million in H1 2016.

GPW generated a separate operating profit of PLN 46.7 million in H1 2017 compared to PLN 28.0 million in H1 2016.

GPW's operating profit increased year on year in H1 2017 as a result of higher revenues, which increased by PLN 21.2 million or 25.5% year on year. Furthermore, operating expenses stood at PLN 54.0 million in H1 2017, a decrease of PLN 0.8 million or 1.5% year on year.

GPW's net profit was PLN 36.4 million in H1 2017 compared to PLN 23.7 million in H1 2016. The increase of the net profit year on year in H1 2017 was driven mainly by an increase of the revenue, which grew 25.5%.

TGE's EBITDA stood at PLN 31.3 million in H1 2017 compared to PLN 30.2 million in H1 2016. Its operating profit was PLN 28.9 million in H1 2017 compared to PLN 28.1 million in H1 2016. The increase of the operating profit was driven by an increase of revenue by PLN 3.0 million while operating expenses increased by PLN 1.5 million. The net profit stood at PLN 38.6 million in H1 2017 compared to PLN 23.0 million in H1 2016. The increase of the net profit in H1 2017 was driven by higher financial income at PLN 20.4 million owing to a dividend paid by the subsidiary IRGiT.

IRGiT's EBITDA stood at PLN 13.9 million in H1 2017 compared to PLN 15.8 million in H1 2016. Its operating profit was PLN 13.0 million in H1 2017 compared to PLN 15.5 million in H1 2016. The decrease of the operating profit in H1 2017 was driven by a decrease of revenue by PLN 0.7 million and an increase of operating expenses by PLN 1.6 million. The net profit stood at PLN 10.8 million in H1 2017 compared to PLN 13.1 million in H1 2016.

BondSpot's EBITDA stood at PLN 2.1 million in H1 2017 compared to PLN 0.7 million in H1 2016. Its operating profit was PLN 1.8 million in H1 2017 compared to PLN 0.3 million in H1 2016. Its net profit stood at PLN 1.5 million in H1 2017 compared to PLN 0.3 million in H1 2016.

Detailed information on changes in revenues and expenses is presented in the sections below.

[7] Operating profit before depreciation and amortisation.

Table 4: Statement of comprehensive income of GPW Group in 2016 and 2017 by quarter and semi-annually.

	2017		2016				2017	2016
PLN'000	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**H1**	**H1**
Sales revenue	**87,635**	**91,034**	**81,712**	**73,658**	**74,461**	**81,031**	**178,669**	**155,492**
Financial market	**52,586**	**55,708**	**49,803**	**46,763**	**42,971**	**44,488**	**108,294**	**87,459**
Trading	35,966	38,846	33,247	30,941	26,561	28,330	74,812	54,891
Listing	6,065	6,347	6,140	5,790	6,129	5,871	12,412	12,000
Information services	10,555	10,515	10,416	10,032	10,281	10,287	21,070	20,568
Commodity market	**34,684**	**35,030**	**31,240**	**26,642**	**30,923**	**36,122**	**69,714**	**67,045**
Trading	17,643	15,580	16,494	13,607	14,119	16,637	33,223	30,756
Register of certificates of origin	7,783	9,114	3,664	5,492	7,797	7,954	16,897	15,751
Clearing	9,258	10,336	11,082	7,543	9,007	11,531	19,594	20,538
Other revenue	**365**	**296**	**669**	**253**	**567**	**421**	**661**	**988**
Operating expenses	**37,765**	**46,515**	**37,736**	**28,271**	**38,026**	**46,122**	**84,280**	**84,148**
Depreciation and amortisation	7,024	6,393	6,085	6,797	6,541	6,370	13,417	12,911
Salaries	11,897	12,506	11,835	9,060	15,128	13,837	24,403	28,965
Other employee costs	3,002	3,142	2,770	2,574	2,764	3,192	6,144	5,956
Rent and maintenance fees	2,613	2,607	2,549	2,425	2,250	2,220	5,220	4,470
Fees and charges	229	11,615	(11)	(2,123)	501	11,642	11,844	12,143
incl. PFSA fees	*-*	*11,357*	*45*	*(2,140)*	*3*	*11,213*	*11,357*	*11,216*
External service charges	11,650	9,014	13,178	8,395	9,456	7,558	20,664	17,014
Other operating expenses	1,350	1,238	1,329	1,143	1,386	1,303	2,588	2,689
Other income	31	330	979	205	204	348	361	552
Other expenses	868	4,414	3,583	360	46	564	5,282	610
Operating profit	**49,033**	**40,435**	**41,372**	**45,232**	**36,593**	**34,693**	**89,468**	**71,286**
Financial income	1,538	1,394	2,311	3,430	5,246	1,963	2,932	7,209
Financial expenses	2,497	7,551	3,199	2,971	2,928	2,981	10,048	5,909
Share of profit of associates	3,045	1,495	1,236	2,296	1,354	(1,368)	4,540	(14)
Profit before income tax	**51,119**	**35,773**	**41,720**	**47,987**	**40,265**	**32,307**	**86,892**	**72,572**
Income tax expense	9,173	8,027	8,750	8,457	7,147	6,791	17,200	13,938
Profit for the period	**41,946**	**27,746**	**32,970**	**39,530**	**33,118**	**25,516**	**69,692**	**58,634**

Source: Condensed Consolidated Interim Financial Statements, Company

Table 5: Consolidated statement of financial position of GPW Group by quarter in 2016 and 2017

	2017		2016			
PLN'000	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Non-current assets	**597,220**	**597,334**	**597,287**	**584,694**	**579,574**	**577,028**
Property, plant and equipment	113,777	116,716	119,130	119,554	121,539	122,252
Intangible assets	271,380	272,490	273,815	262,401	258,057	259,870
Investment in associates	201,590	198,577	197,231	196,025	191,412	187,221
Deferred tax assets	3,349	3,261	1,809	1,749	3,041	2,947
Available-for-sale financial assets	278	278	288	288	290	285
Non-current prepayments	6,846	6,012	5,014	4,677	5,235	4,453
Current assets	**615,476**	**592,548**	**560,561**	**524,879**	**602,030**	**583,701**
Inventories	53	60	57	67	73	71
Corporate income tax receivable	71	559	428	300	234	490
Trade and other receivables	89,069	165,243	113,262	100,579	99,965	99,202
Cash and cash equivalents	526,283	426,686	446,814	423,933	501,758	483,935
Total assets	**1,212,696**	**1,189,882**	**1,157,848**	**1,109,573**	**1,181,604**	**1,160,729**
Equity	**724,591**	**772,849**	**745,252**	**712,325**	**672,818**	**738,734**
Share capital	63,865	63,865	63,865	63,865	63,865	63,865
Other reserves	1,106	1,035	1,184	1,537	1,560	1,481
Retained earnings	659,085	707,399	679,678	646,411	606,896	672,835
Non-controlling interests	535	550	525	512	497	553
Non-current liabilities	**258,780**	**258,516**	**143,422**	**137,504**	**137,632**	**134,571**
Liabilities under bond issue	243,378	243,281	123,459	123,733	123,669	123,606
Employee benefits payable	1,838	2,274	1,832	2,254	4,686	4,400
Finance lease liabilities	-	17	32	48	58	72
Accruals and deferred income	6,064	6,132	6,200	-	-	-
Deferred income tax liability	5,276	4,588	9,675	9,245	6,995	6,493
Other liabilities	2,224	2,224	2,224	2,224	2,224	-
Current liabilities	**229,325**	**158,517**	**269,174**	**259,744**	**371,154**	**287,424**
Liabilities under bond issue	1,896	2,069	122,882	123,002	121,047	122,881
Trade payables	3,496	6,199	6,387	2,841	6,288	6,182
Employee benefits payable	8,060	5,812	8,114	8,872	10,379	7,246
Finance lease liabilities	64	62	62	61	55	55
Corporate income tax payable	7,597	13,188	16,154	11,911	10,920	9,058
Credits and loans	59,958	59,798	-	-	-	-
Accruals and deferred income	37,194	41,722	7,144	11,630	31,021	38,966
Provisions for other liabilities and charges	318	317	333	179	649	649
Other current liabilities	110,742	29,350	108,098	101,248	190,795	102,387
Total equity and liabilities	**1,212,696**	**1,189,882**	**1,157,848**	**1,109,573**	**1,181,604**	**1,160,729**

Source: Condensed Consolidated Interim Financial Statements, Company

2. Presentation of the financials

REVENUE

The Group has three revenue-generating segments:

- financial market,
- commodity market,
- other revenues.

Revenues from the financial market include revenues from:

- trading,
- listing,
- information services.

Trading revenue includes fees paid by market participants in respect of:

- transactions on markets of equities and equity-related instruments,
- transactions in derivative financial instruments,
- transactions in debt instruments,
- transactions in other cash market instruments,
- other fees paid by market participants.

Revenues from transactions in equities and equity-related securities are the Group's main source of trading revenues and its main source of sales revenues in general.

Revenues from transactions in derivative financial instruments are the second biggest source of trading revenues on the financial market after revenues from transactions in equities. Transactions in WIG20 index futures account for the majority of revenues from transactions in derivatives.

Revenues from other fees paid by market participants include mainly fees for services providing access to the trading system.

Revenues from transactions in debt instruments were the third largest source of trading revenues on the financial market in H1 2017. Revenues from transactions in debt instruments are generated by the Catalyst market as well as the Treasury BondSpot Poland market operated by BondSpot S.A., a subsidiary of GPW.

Revenues from transactions in other cash market instruments include fees for trading in structured products, investment certificates, warrants and ETF (Exchange Traded Fund) units.

Listing revenues include two elements:

- one-off fees paid for introduction of shares and other instruments to trading on the exchange,
- periodic listing fees.

Revenues from information services mainly include fees paid by data vendors for real-time market data as well as historical and statistical data. Real-time data fees include fixed annual fees and monthly fees based on the data vendor's number of subscribers and the scope of data feeds used by a subscriber.

Revenues of the Group in the commodity market segment include revenues of TGE and IRGiT as well as revenues of InfoEngine from its activity as a trade operator, the entity responsible for balancing, and the operation of the OTC commodity platform.

Revenue on the commodity market includes the following:

- trading,
- operation of the Register of Certificates of Origin,
- clearing.

Trading revenue on the commodity market includes:

- revenue from trading in electricity (spot and forward),
- revenue from trading in natural gas (spot and forward),
- revenue from trading in property rights,
- other fees paid by market participants (members).

Other fees paid by market participants include TGE fees as well as revenues of InfoEngine as a trade operator, the entity responsible for balancing, and the operation of the OTC commodity platform.

Revenues of the sub-segment "clearing" include revenues of the company IRGiT, which clears and settles exchange transactions concluded on TGE, manages the resources of the clearing guarantee system and determines the amount of credits and debits of IRGiT members resulting from their transactions.

The Group's other revenues include revenues of GPW and the TGE Group, among others, from office space lease and promotion activities.

The **Group**'s sales revenues amounted to PLN 178.7 million in H1 2017, an increase of 14.9% (PLN 23.2 million) compared to PLN 155.5 million in H1 2016.

The increase in sales revenues year on year in H1 2017 was driven by an increase in revenues from the **financial market** segment by PLN 20.8 million or 23.8%, mainly from transactions in equities and equity-related instruments. Listing revenue also increased by PLN 0.4 million or 3.4%, while the revenue from information services increased by PLN 0.5 million or 2.4%. The revenues from the **commodity market** also increased by PLN 2.7 million or 4.0% year on year. The increase of the revenue from the commodity market was mainly driven by an increase of the revenue from trade in property rights by PLN 3.2 million or 19.3% year on year in H1 2017, an increase of the revenue from other fees paid by market participants by PLN 1.2 million or 29.5%, as well as an increase of the revenue from the operation of the register of certificates of origin by PLN 1.1 million or 7.3%. The revenue from spot transactions in gas also increased. Other revenues from the commodity market decreased year on year in H1 2017.

The revenue of **TGE** stood at PLN 48.8 million in H1 2017 compared to PLN 45.8 million in H1 2016, representing an increase of PLN 3.0 million or 6.6% year on year in H1 2017. The revenue of **IRGiT** was PLN 21.2 million in H1 2017, a decrease of PLN 0.7 million or 3.4% year on year. The revenue of **BondSpot** increased and stood at PLN 6.7 million in H1 2017 compared to PLN 5.4 million in H1 2016.

The revenue of the GPW Group by segment is presented below.

Table 6: Consolidated revenues of GPW Group and revenue structure in the six-month periods ended 30 June 2017 and 30 June 2016

PLN'000, %	Six - month period ended				Change (H1 2017 vs H1 2016)	Change (%) (H1 2017 vs H1 2016)
	30 June 2017	%	30 June 2016	%		
Financial market	**108,294**	**61%**	**87,459**	**56%**	**20,835**	**23.8%**
Trading revenue	74,812	42%	54,891	35%	19,921	36.3%
Equities and equity-related instruments	57,985	32%	40,189	26%	17,796	44.3%
Derivative instruments	6,589	4%	6,182	4%	407	6.6%
Other fees paid by market participants	3,835	2%	3,330	2%	505	15.2%
Debt instruments	6,192	3%	4,988	3%	1,204	24.1%
Other cash instruments	211	0%	202	0%	9	4.5%
Listing revenue	12,412	7%	12,000	8%	412	3.4%
Listing fees	10,101	6%	10,053	6%	48	0.5%
Introduction fees, other fees	2,311	1%	1,947	1%	364	18.7%
Information services	21,070	12%	20,568	13%	502	2.4%
Real-time information	19,521	11%	19,193	12%	328	1.7%
Indices and historical and statistical information	1,549	1%	1,375	1%	174	12.7%
Commodity market	**69,714**	**39%**	**67,045**	**43%**	**2,669**	**4.0%**
Trading revenue	33,223	19%	30,756	20%	2,467	8.0%
Electricity	3,826	2%	5,341	3%	(1,515)	-28.4%
Spot	1,379	1%	1,542	1%	(163)	-10.6%
Forward	2,447	1%	3,799	2%	(1,352)	-35.6%
Gas	4,391	2%	4,800	3%	(409)	-8.5%
Spot	1,496	1%	1,335	1%	161	12.1%
Forward	2,895	2%	3,465	2%	(570)	-16.5%
Property rights in certificates of origin	19,798	11%	16,593	11%	3,205	19.3%
Other fees paid by market participants	5,208	3%	4,022	3%	1,186	29.5%
Register of certificates of origin	16,897	9%	15,751	10%	1,146	7.3%
Clearing	19,594	11%	20,538	13%	(944)	-4.6%
Other revenue *	**661**	**0%**	**988**	**1%**	**(327)**	**-33.1%**
Total	**178,669**	**100%**	**155,492**	**100%**	**23,177**	**14.9%**

** Other revenues include the financial market and the commodity market.*

Source: Condensed Consolidated Interim Financial Statements, Company

The Group earns revenue both from domestic and foreign clients. The table below presents revenue by geographic segment.

Table 7: Consolidated revenues of the Group by geographical segment in the six-month periods ended 30 June 2017 and 30 June 2016

PLN'000, %	Six - month period ended				Change (H1 2017 vs H1 2016)	Change (%) (H1 2017 vs H1 2016)
	30 June 2017	%	30 June 2016	%		
Revenue from foreign customers	42,203	24%	34,583	22%	7,620	22.0%
Revenue from local customers	136,466	76%	120,909	78%	15,557	12.9%
Total	**178,669**	**100%**	**155,492**	**100%**	**23,177**	**14.9%**

Source: Condensed Consolidated Interim Financial Statements, Company

FINANCIAL MARKET

TRADING

The revenues of the Group from trading on the financial market stood at PLN 74.8 million in H1 2017 compared to PLN 54.9 million in H1 2016.

Equities and equity-related instruments

Revenues from trading in **equities and equity-related instruments** amounted to PLN 58.0 million in H1 2017 and increased at the highest rate of 44.3% year on year compared to PLN 40.2 million in H1 2016.

The increase of the revenues from trading in equities was driven by an increase of the value of trade on the Main Market. The value of trade increased by 56.9% year on year (including an increase of trade on the electronic order book by 46.5% and a 3.5-fold increase of the value of block trades).

Table 8: Data for the markets in equities and equity-related instruments

	Six-month period ended		Change (H1 2017 vs H1 2016)	Change (%) (H1 2017 vs H1 2016)
	30 June 2017	30 June 2016		
Financial market, trading revenue: equities and equity-related instruments *(PLN million)*	**58.0**	**40.2**	**17.8**	**44.3%**
Main Market:				
Value of trading (PLN billion)	140.9	89.8	51.1	56.9%
Volume of trading (billions of shares)	8.0	7.2	0.8	11.5%
NewConnect:				
Value of trading (PLN billion)	0.9	0.7	0.2	24.6%
Volume of trading (billions of shares)	1.6	1.8	(0.2)	-12.2%

Source: Condensed Consolidated Interim Financial Statements, Company

Derivatives

Revenues of the Group from transactions in **derivatives** on the financial market amounted to PLN 6.6 million in H1 2017 compared to PLN 6.2 million in H1 2016, representing an increase of PLN 0.4 million or 6.6%.

The total volume of trade in derivatives increased by 7.4% year on year in H1 2017. The volume of trade in WIG20 futures, which account for the major part of the revenues from transactions in derivatives, increased by 4.3% year on year in H1 2017.

Table 9: Data for the derivatives market

	Six-month period ended		Change (H1 2017 vs H1 2016)	Change (%) (H1 2017 vs H1 2016)
	30 June 2017	30 June 2016		
Financial market, trading revenue: derivatives *(PLN million)*	**6.6**	**6.2**	**0.4**	**6.6%**
Volume of trading in derivatives (millions of contracts):	4.2	3.9	0.3	7.4%
incl.: Volume of trading in WIG20 futures (millions of contracts)	2.5	2.4	0.1	4.3%

Source: Condensed Consolidated Interim Financial Statements, Company

Other fees paid by market participants

Revenues of the Group from **other fees** paid by market participants stood at PLN 3.8 million in H1 2017 compared to PLN 3.3 million in H1 2016, representing an increase of PLN 0.5 million or 15.2%. The fees mainly include fees for access to the trading system (among others, licence fees, connection fees and maintenance fees) as well as fees for use of the system.

Debt instruments

Revenues of the Group from transactions in **debt instruments** stood at PLN 6.2 million in H1 2017 compared to PLN 5.0 million in H1 2016. The majority of the Group's revenues from the debt instruments segment is generated by Treasury BondSpot Poland (TBSP).

The year-on-year increase of the revenues on TBSP in H1 2017 was driven by changes to the TBSP market price list effective as of 1 January 2017 as well as an increase in the value of trade on TBS Poland in H1 2017.

The value of trade in Polish Treasury securities on TBSP was PLN 260.9 billion in H1 2017, an increase of 48.2% year on year. The increase of the value of trade was mainly driven by conditional transactions. Conditional transactions stood at PLN 149.9 billion in H1 2017, an increase of 176.4% year on year. Cash transactions stood at PLN 111.0 billion, a decrease of 8.9% year on year). The sharp increase of the value of conditional transactions (sell/buy back, repo) was driven by high liquidity in the Polish banking sector as well as more stable activity of banks in the market segment following a sharp drop in the value of transactions when banks were reducing their balance sheets after the new tax on certain financial institutions took effect in February 2016.

The value of trading on Catalyst decreased (by 25.7%) year on year in H1 2017. Revenues from Catalyst have a small share in the Group's total revenues from transactions in debt instruments.

Table 10: Data for the debt instruments market

	Six-month period ended		Change (H1 2017 vs H1 2016)	Change (%) (H1 2017 vs H1 2016)
	30 June 2017	30 June 2016		
Financial market, trading revenue: debt instruments *(PLN million)*	**6.2**	**5.0**	**1.2**	**24.1%**
Catalyst:				
Value of trading (PLN billion)	1.3	1.8	(0.5)	-25.7%
incl.: Value of trading in non-Treasury instruments (PLN billion)	0.8	1.4	(0.6)	-41.0%
Treasury BondSpot Poland, value of trading:				
Conditional transactions (PLN billion)	149.9	54.2	95.7	176.4%
Cash transactions (PLN billion)	111.0	121.8	(10.9)	-8.9%

Source: Condensed Consolidated Interim Financial Statements, Company

Other cash market instruments

Revenues from transactions in **other cash market instruments** were stable at PLN 0.2 million in H1 2017. The revenues include fees for trading in structured products, investment certificates, and ETF units.

LISTING

Listing revenues on the financial market amounted to PLN 12.4 million in H1 2017 compared to PLN 12.0 million in H1 2016.

Revenues from **listing fees** were stable year on year and amounted to PLN 10.1 million in H1 2017. The main driver of revenues from listing fees is the number of issuers listed on the GPW markets and their capitalisation at the year's end.

Revenues from **fees for introduction and other fees** amounted to PLN 2.3 million in H1 2017 compared to PLN 1.9 million in H1 2016. The revenues are driven mainly by the number and value of new listings of shares and bonds on the GPW markets. The value of IPOs and SPOs increased significantly year on year in H1 2017.

Listing revenues on the GPW Main Market increased by 3.0% year on year in H1 2017. The table below presents the key financial and operating figures.

Table 11: Data for the GPW Main Market

	Six-month period ended		Change (H1 2017 vs H1 2016)	Change (%) (H1 2017 vs H1 2016)
	30 June 2017	30 June 2016		
Main Market				
Listing revenue (PLN million)	**10.2**	**9.9**	**0.3**	**3.0%**
Total capitalisation of listed companies *(PLN billion)*	1,316.5	913.1	403.4	44.2%
including: Capitalisation of listed domestic companies	645.0	496.1	148.9	30.0%
including: Capitalisation of listed foreign companies	671.5	417.0	254.5	61.0%
Total number of listed companies	483	483	-	0.0%
including: Number of listed domestic companies	432	430	2.0	0.5%
including: Number of listed foreign companies	51	53	(2.0)	-3.8%
Value of offerings *(IPO and SPO) (PLN billion)* *	60.7	1.4	59.3	4244.9%
Number of new listings *(in the period)*	6	9	(3.0)	-33.3%
Capitalisation of new listings *(PLN billion)*	5.3	2.7	2.6	98.0%
Number of delistings	10	13	(3.0)	-23.1%
Capitalisation of delistings** (PLN billion)	4.1	2.6	1.5	55.5%

** including SPO of UniCredit S.p.A. at PLN 55,9 billion in Q1 2017*

*** based on market capitalisation at the time of delisting*

Source: Company

Listing revenues from NewConnect decreased by 5.8% year on year in H1 2017. The table below presents the key financial and operating figures.

Table 12: Data for NewConnect

	Six-month period ended		Change (H1 2017 vs H1 2016)	Change (%) (H1 2017 vs H1 2016)
	30 June 2017	30 June 2016		
NewConnect				
Listing revenue *(PLN million)*	**1.1**	**1.1**	**(0.1)**	**-5.8%**
Total capitalisation of listed companies *(PLN billion)*	10.3	8.9	1.4	16.0%
including: Capitalisation of listed domestic companies	9.9	8.6	1.3	15.7%
including: Capitalisation of listed foreign companies	0.4	0.3	0.1	26.2%
Total number of listed companies	404	413	(9.0)	-2.2%
including: Number of listed domestic companies	396	404	(8.0)	-2.0%
including: Number of listed foreign companies	8	9	(1.0)	-11.1%
Value of offerings *(IPO and SPO) (PLN billion)*	0.1	0.1	(0.0)	-10.7%
Number of new listings *(in the period)*	5	7	(2.0)	-28.6%
Capitalisation of new listings *(PLN billion)*	0.2	0.2	(0.1)	-23.3%
Number of delistings*	7	12	(5.0)	-41.7%
Capitalisation of delistings** (PLN billion)	0.6	0.5	0.1	17.0%

** includes companies which transferred to the Main Market*

*** based on market capitalisation at the time of delisting*

Source: Company

Listing revenues from Catalyst stood at PLN 1.2 million in H1 2017 compared to PLN 1.0 million in H1 2016. The table below presents the key financial and operating figures.

Table 13: Data for Catalyst

	Six-month period ended		Change (H1 2017 vs H1 2016)	Change (%) (H1 2017 vs H1 2016)
	30 June 2017	30 June 2016		
Catalyst				
Listing revenue *(PLN million)*	**1.2**	**1.0**	**0.2**	**15.7%**
Number of issuers	169	185	(16)	-8.6%
Number of issued instruments	592	549	43	7.8%
including: non-Treasury instruments	551	511	40	7.8%
Value of issued instruments *(PLN billion)*	744.6	671.8	72.8	10.8%
including: non-Treasury instruments	83.3	75.5	7.8	10.3%

Source: Company

INFORMATION SERVICES

Revenues from **information services** amounted to PLN 21.1 million in H1 2017 compared to PLN 20.6 million in H1 2016. The increase in revenue was driven by an increase of the number of subscribers.

Table 14: Data for information services

	Six-month period ended		Change (H1 2017 vs H1 2016)	Change (%) (H1 2017 vs H1 2016)
	30 June 2017	30 June 2016		
Revenues from information services *(PLN million)*	**21.1**	**20.6**	**0.5**	**2.4%**
Number of data vendors	52	51	1	2.0%
Number of subscribers ('000 subscribers)	236.6	220.3	16.3	7.4%

Source: Condensed Consolidated Interim Financial Statements, Company

COMMODITY MARKET

Revenues on the commodity market include mainly the revenues of the TGE Group.

Revenues of the TGE Group are driven mainly by the volume of transactions in electricity, natural gas and property rights, the volume of certificates of origin issued and cancelled by members of the Register of Certificates of Origin, as well as revenues from clearing and settlement of transactions in exchange-traded commodities in the clearing sub-segment operated by IRGiT.

Revenues of the GPW Group on the commodity market stood at PLN 69.7 million in H1 2017 compared to PLN 67.0 million in H1 2016.

The year-on-year increase of revenues on the commodity market in H1 2017 was mainly driven by an increase in revenues from trade in property rights in certificates of origin, which stood at PLN 19.8 million compared to PLN 16.6 million in H1 2016, representing an increase of 19.3%. Revenues from other fees paid by market participants increased by 29.5% and revenues from the operation of the Register of Certificates of Origin increased by 7.3%. The revenue from transactions in electricity decreased by 28.4% and the revenue from transactions in gas decreased by 8.5% year on year in H1 2017. The revenue from clearing decreased by PLN 0.9 million or 4.6% year on year in H1 2017.

TRADING

Revenues of the GPW Group from trading on the commodity market stood at PLN 33.2 million in H1 2017, including PLN 1.4 million of revenues from spot transactions in electricity, PLN 2.4 million of revenues from forward transactions in electricity, PLN 1.5 million of revenues from spot transactions in gas, PLN 2.9 million of revenues from forward transactions in gas, PLN 19.8 million of revenues from transactions in property rights in certificates of origin of electricity, and PLN 5.2 million of other fees paid by market participants. Revenues from trading increased by 8.0% or PLN 2.5 million year on year in H1 2017.

The Group's revenues from **trade in electricity** amounted to PLN 3.8 million in H1 2017 compared to PLN 5.3 million in H1 2016. The total volume of trading on the energy markets operated by TGE amounted to 46.9 TWh in H1 2017 compared to 66.4 TWh in H1 2016 following a decrease in the level of mandatory sales of electricity on the regulated market in the gradual phase-out of support for termination of long-term contracts.
The year-on-year decrease of the revenues from trade in electricity was driven by a lower volume of trade, especially forward transactions. The volume of forward transactions decreased by 34.8% year on year.
The Group's revenues from **trade in gas** amounted to PLN 4.4 million in H1 2017 compared to PLN 4.8 million in H1 2016. The volume of trade in natural gas on TGE was 54.3 TWh in H1 2017 compared to 59.2 TWh in H1 2016. The decrease of the total volume resulted from a decrease of the volume of forward transactions while the volume of spot transactions increased by 19.1% year on year.

The Group's revenue from the operation of **trading in property rights** stood at PLN 19.8 million in H1 2017 compared to PLN 16.6 million in H1 2016. The volume of trading in property rights stood at 34.3 TWh in H1 2017, an increase of 9.8% year on year. Changes in the revenue from trading in property rights are not directly proportionate to changes in the trading volumes due to different fees charged for different types of property rights.

Revenues of the Group from **other fees paid by commodity market participants** amounted to PLN 5.2 million in H1 2017 compared to PLN 4.0 million in H1 2016. Other fees paid by commodity market participants included fees paid by TGE market participants and revenues of InfoEngine from the activity of trade operator.

Other fees paid by market participants are driven mainly by revenues from fixed market participation fees, fees for cancellation of transactions, fees for position transfers, fees for trade reporting in the RRM (Registered Reporting Mechanism), fees for access to the system, and fees for management of the resources of the guarantee fund. Other fees paid by market participants depend mainly on the activity of IRGiT Members, in particular the number of transactions, the number of new clients of brokerage houses, and the number of new users accessing the clearing system.

Table 15: Data for the commodity market

	Six-month period ended		Change (H1 2017 vs H1 2016)	Change (%) (H1 2017 vs H1 2016)
	30 June 2017	30 June 2016		
Commodity market - trading revenue (PLN million)	**33.2**	**30.8**	**2.5**	**8.0%**
Volume of trading in electricity				
Spot transactions *(TWh)*	12.9	14.2	(1.4)	-9.5%
Forward transactions *(TWh)*	34.0	52.1	(18.1)	-34.8%
Volume of trading in gas				
Spot transactions *(TWh)*	14.7	12.3	2.4	19.1%
Forward transactions *(TWh)*	39.6	46.9	(7.3)	-15.6%
Volume of trading in property rights (TGE) (TWh)	34.3	31.2	3.1	9.8%

Source: Condensed Consolidated Interim Financial Statements, Company

REGISTER OF CERTIFICATES OF ORIGIN

Revenues from the operation of the **Register of Certificates of Origin** amounted to PLN 16.9 million in H1 2017 compared to PLN 15.8 million in H1 2016. The year-on-year increase of the revenues was mainly driven by high revenues from cancellations of property rights, especially green certificates of origin, as well as an increase of issued property rights.

Table 16: Data for the Register of Certificates of Origin

	Six-month period ended		Change (H1 2017 vs H1 2016)	Change (%) (H1 2017 vs H1 2016)
	30 June 2017	30 June 2016		
Commodity market - revenue from operation of the Register of Certificates of Origin of electricity (PLN million)	**16.9**	**15.8**	**1.1**	**7.3%**
Issued property rights *(TWh)*	29.9	26.2	3.7	14.0%
Cancelled property rights *(TWh)*	31.0	42.4	(11.4)	-26.8%

Source: Condensed Consolidated Interim Financial Statements, Company

CLEARING

The Group earns revenue from the **clearing activities** of IRGiT, which is a subsidiary of TGE. The revenue stood at PLN 19.6 million in H1 2017 compared to PLN 20.5 million in H1 2016. The revenue decreased by 4.6% or PLN 0.9 million year on year in H1 2017.

OTHER REVENUES

The Group's other revenues amounted to PLN 0.7 million in H1 2017 compared to PLN 1.0 million in H1 2016. The Group's other revenues include mainly revenues from office space lease and sponsorship.

The decrease in other revenues was mainly driven by lower revenues from lease and sponsorship.

OPERATING EXPENSES

The total operating expenses of the **GPW Group** amounted to PLN 84.3 million in H1 2017, representing a modest increase of PLN 0.1 million (0.2%) year on year. The year-on-year increase of operating expenses by PLN 132 thousand was driven by an increase of external service charges by 21.5% or PLN 3.6 million, an increase of rent and other maintenance fees by PLN 0.75 million, an increase of depreciation and amortisation charges by PLN 0.5 million, as well as a decrease of salaries by PLN 4.6 million or 15.8%.

Separate operating expenses of **GPW** amounted to PLN 54.0 million in H1 2017, representing a decrease of PLN 0.8 million (1.5%) year on year. The decrease of the operating expenses over that period was mainly driven by a decrease of salaries by 18.5% or PLN 3.2 million.

Operating expenses of **TGE** amounted to PLN 19.2 million in H1 2017 compared to PLN 17.7 million in H1 2016. The year-on-year increase of the operating expenses in H1 2017 was mainly driven by an increase of external service charges by 52.3% or PLN 1.9 million. Operating expenses of **IRGiT** stood at PLN 8.1 million in H1 2017 compared to PLN 6.5 million in H1 2016. The increase of its operating expenses was mainly driven by an increase of external service charges by PLN 0.7 million and an increase of depreciation and amortisation charges by PLN 0.6 million.

Operating expenses of **BondSpot** in the periods under review stood at PLN 4.9 million and PLN 5.1 million, respectively, representing a decrease of 4.4% or PLN 0.2 million.

Table 17: Consolidated operating expenses of the Group and structure of operating expenses in the six-month periods ended 30 June 2017 and 30 June 2016

PLN'000, %	Six-month period ended				Change (H1 2017 vs H1 2016)	Change (%) (H1 2017 vs H1 2016)
	30 June 2017	%	30 June 2016	%		
Depreciation and amortisation	13,417	16%	12,911	15%	506	3.9%
Salaries	24,403	29%	28,965	34%	(4,562)	-15.8%
Other employee costs	6,144	7%	5,956	7%	188	3.2%
Rent and other maintenance fees	5,220	6%	4,470	5%	750	16.8%
Fees and charges	11,844	14%	12,143	14%	(299)	-2.5%
including: PFSA fees	*11,357*	*13%*	*11,216*	*13%*	*141*	*1.3%*
External service charges	20,664	25%	17,014	20%	3,650	21.5%
Other operating expenses	2,588	3%	2,689	3%	(101)	-3.8%
Total	**84,280**	**100%**	**84,148**	**100%**	**132**	**0.2%**

Source: Condensed Consolidated Interim Financial Statements, Company

The modest increase of consolidated expenses year on year in H1 2017 was mainly driven by a decrease of salaries by 15.8% or PLN 4.6 million combined with an increase of external service charges by 21.5% or PLN 3.6 million. Furthermore, depreciation and amortisation, other employee costs, and rent and other maintenance fees also increased.

Table 18: Separate operating expenses of GPW and structure of operating expenses in selected periods of 2017 and 2016

PLN'000, %	Six-month period ended				Change (H1 2017 vs H1 2016)	Change (%) (H1 2017 vs H1 2016)
	30 June 2017	%	30 June 2016	%		
Depreciation and amortisation	9,712	18%	9,934	18%	(222)	-2.2%
Salaries	14,012	26%	17,184	31%	(3,172)	-18.5%
Other employee costs	3,986	7%	4,020	7%	(34)	-0.9%
Rent and other maintenance fees	3,719	7%	3,076	6%	643	20.9%
Fees and charges	6,622	12%	6,984	13%	(362)	-5.2%
including: PFSA fees	*6,260*	*12%*	*6,613*	*12%*	*(353)*	*-5.3%*
External service charges	13,995	26%	11,780	21%	2,215	18.8%
Other operating expenses	1,985	4%	1,899	3%	86	4.5%
Total	**54,031**	**100%**	**54,878**	**100%**	**(847)**	**-1.5%**

Source: Company

The comments below concerning operating expenses items are based on **consolidated figures of the GPW Group.**

Depreciation and amortisation

Depreciation and amortisation charges stood at PLN 13.4 million in H1 2017 compared to PLN 12.9 million in H1 2016. The increase in depreciation and amortisation charges year on year in H1 2017 was driven by a decrease of depreciation and amortisation charges in GPW by PLN 0.2 million combined with an increase of depreciation and amortisation charges in TGE by PLN 0.2 million and an increase of depreciation and amortisation charges in IRGiT by PLN 0.6 million. The increase of depreciation and amortisation charges in IRGiT was driven by the implementation of a new clearing system in June 2016.

Salaries and other employee costs

Salaries and other employee costs amounted to PLN 30.5 million in H1 2017 compared to PLN 34.9 million in H1 2016, representing a decrease of 12.5% or PLN 4.4 million.

The decrease of salaries and other employee costs in the GPW Group year on year in H1 2017 was driven by a decrease of costs of GPW by PLN 3.2 million, a decrease of costs of TGE by PLN 0.9 million, a decrease of costs of IRGiT and InfoEngine by PLN 0.1 million, a decrease of costs of IAiR by PLN 0.2 million, and an increase of costs of BondSpot by PLN 0.1 million.

The decrease of salaries in GPW year on year in H1 2017 was mainly driven by workforce restructuring in mid-2016, as well as the release of unused provisions against annual bonuses of the Management Board for 2016 at PLN 1.0 million in H1 2017. The decrease of salaries in TGE year on year in H1 2017 was driven by a lower number of FTEs. The increase of salaries in BondSpot in H1 2017 was driven by new provisions set up against bonuses of the Management Board for 2017; no such provisions were set up in 2016 by decision of the Company's Supervisory Board. The decrease of salaries in IRGiT, InfoEngine and IAiR was also driven by a modest reduction of FTEs year on year as at 30 June 2017.

The headcount of the Group was 314 FTEs as at 30 June 2017.

Table 19: Employment in GPW Group

# FTEs	As at		
	30 June 2017	31 December 2016	30 June 2016
GPW	179	185	198
Subsidiaries	135	146	151
Total	**314**	**331**	**349**

Source: Company

Rent and other maintenance fees

Rent and other maintenance fees amounted to PLN 5.2 million in H1 2017 compared to PLN 4.5 million in H1 2016. The increase of the cost was driven by temporary higher rent paid by TGE, IRGiT, BondSpot and GPW due to the ongoing multi-faceted integration of the Group, including physical integration involving the relocation of the companies to GPW's head office.

Furthermore, GPW has leased additional space for its subsidiaries. The additional cost of rent paid by GPW is reinvoiced to the subsidiaries. The additional cost of the subsidiaries is temporary as they need to pay, over a short period of time, both the cost of previously leased and newly leased space. In the integration process, the GPW subsidiaries are taking over office space from GPW. The physical integration of the GPW Group will be completed in Q3 2017.

Fees and charges

Fees and charges stood at PLN 11.8 million in H1 2017 compared to PLN 12.1 million in H1 2016. The main component of fees and charges are fees paid to the Polish Financial Supervision Authority (PFSA) for capital market supervision (PLN 11.4 million in H1 2017 compared to PLN 11.2 million in H1 2016). Following the change of the system of financing the cost of market supervision and of the range of entities participating in the financing as of the beginning of 2016, the full estimated amount of the annual PFSA fee is recognised early in the year.

The final PFSA fee calculated in 2016 was PLN 9.1 million in the GPW Group. The final PFSA fee for 2017 will be calculated at the turn of August to September 2017.

External service charges

External service charges amounted to PLN 20.7 million in H1 2017 compared to PLN 17.0 million in H1 2016, representing an increase of 21.5% or PLN 3.6 million.

Table 20: Consolidated external service charges of the Group and structure of external service charges in the six-month periods ended 30 June 2017 and 30 June 2016

PLN'000, %	Six-month period ended				Change (H1 2017 vs H1 2016)	Change (%) (H1 2017 vs H1 2016)
	30 June 2017	%	30 June 2016	%		
IT cost:	11,431	55%	10,059	59%	1,372	13.6%
IT infrastructure maintenance	*7,337*	*36%*	*6,341*	*37%*	*996*	*15.7%*
TBSP maintenance service	*520*	*3%*	*755*	*4%*	*(235)*	*-31.1%*
Data transmission lines	*2,727*	*13%*	*2,871*	*17%*	*(144)*	*-5.0%*
Software modification	*847*	*4%*	*92*	*1%*	*755*	*820.7%*
Office and office equipment maintenance:	1,611	8%	1,183	7%	428	36.2%
Repair and maintenance of installations	*457*	*2%*	*294*	*2%*	*163*	*55.5%*
Security	*676*	*3%*	*428*	*3%*	*248*	*58.0%*
Cleaning	*286*	*1%*	*240*	*1%*	*46*	*19.3%*
Phone and mobile phone services	*191*	*1%*	*221*	*1%*	*(30)*	*-13.6%*
International (energy) market services	*999*	*5%*	-	-	*999*	-
Leasing, rental and maintenance of vehicles	*340*	2%	276	2%	64	23.2%
Transportation services	67	0%	90	1%	(23)	-25.3%
Promotion, education, market development	2,503	12%	2,417	14%	86	3.6%
Market liquidity support	363	2%	242	1%	121	50.0%
Advisory (including: audit, legal services, business consulting)	1,981	10%	1,510	9%	471	31.2%
Information services	331	2%	371	2%	(40)	-10.7%
Training	222	1%	242	1%	(20)	-8.3%
Mail fees	56	0%	41	0%	15	36.5%
Bank fees	61	0%	74	0%	(13)	-17.6%
Translation	205	1%	147	1%	58	39.5%
Other	494	2%	362	2%	131	36.2%
Total	**20,664**	**100%**	**17,014**	**100%**	**3,650**	**21.5%**

Source: Condensed Consolidated Interim Financial Statements

The increase of external service charges year on year in H1 2017 was mainly driven by an increase of the following cost items:
1/ infrastructure maintenance – an increase of PLN 996 thousand driven by an increase of the cost in GPW by PLN 411 thousand with respect to maintenance of servers acquired in Q2 2016 as well as an increase of the cost in TGE by PLN 378 million;
2/ software modification – an increase of PLN 755 thousand, mainly driven by the cost of the next phase of MiFID II implementation in the trading system UTP;
3/ international market services – an increase of PLN 999 thousand in TGE due to its participation in international projects on the electricity market;
4/ advisory – increase of PLN 471 thousand, mainly driven by an increase of the cost of TGE in relations to outstanding VAT payments.

Other operating expenses

Other operating expenses amounted to PLN 2.6 million in H1 2017 compared to PLN 2.7 million in H1 2016, representing a decrease of 3.8% or PLN 0.1 million. Other operating expenses in H1 2017 included the cost of material and energy consumption at PLN 1.6 million (an increase of PLN 0.1 million year on year), industry organisation membership fees at PLN 0.3 million, insurance at PLN 0.2 million, business travel at PLN 0.4 million.

OTHER INCOME AND EXPENSES

Other income of the Group amounted to PLN 0.4 million in H1 2017 compared to PLN 0.6 million in H1 2016. Other income includes damages received, gains on the sale of property, plant and equipment, reversal of the revaluation write-downs of receivables.

Other expenses of the Group amounted to PLN 5.3 million in H1 2017 compared to PLN 0.6 million in H1 2016. Other expenses include donations paid, losses on the sale of property, plant and equipment, revaluation write-downs of receivables, and provisions against damages. Donations stood at PLN 3,377 thousand in H1 2017, including GPW's donation of PLN 3.0 million to the Polish National Foundation, PLN 350 thousand to the GPW Foundation, PLN 25 thousand to the Foundation Wolność i Demokracja. In addition, expenses increased due to higher write-downs of receivables.

FINANCIAL INCOME AND EXPENSES

Financial income of the Group amounted to PLN 2.9 million in H1 2017 compared to PLN 7.2 million in H1 2016, representing a decrease of PLN 4.3 million. Financial income includes mainly interest on bank deposits, interest on loans granted, positive FX differences, and the revaluation of the investment in the affiliate Aquis following a capital increase. Income from interest on bank deposits and loans granted stood at PLN 2.8 million in H1 2017 and decreased (by PLN 0.5 million) year on year. The revaluation of the investment in Aquis in H1 2016 increased the income of the period by PLN 3.1 million. There was no revaluation of the investment in 2017.

GPW's associate Aquis Exchange Limited completed several new issues of shares and increased its capital in 2016 without the participation of GPW. As a result of the transactions, GPW's share in economic and voting rights decreased from 26.33% to 20.31% as at 31 December 2016. As a result of the issues, the net asset value of Aquis increased and GPW recognised gains at PLN 5.8 million shown under financial income in 2016.

Financial expenses of the Group amounted to PLN 10.0 million in H1 2017 compared to PLN 5.9 million in H1 2016, representing an increase of PLN 4.1 million.

The increase of expenses was due to the recognition of PLN 3.8 million of additional interest imposed by the tax authorities in relation to a VAT correction following the change of the existing tax policy of TGE services.

On 15 March 2017, TGE filed a correction of VAT returns and paid PLN 68.3 million of overdue taxes plus interest of PLN 10.7 million, i.e., PLN 79 million in total. Of that amount, interest cost of PLN 0.8 million was charged to costs in Q1 2017. To make the payment, TGE took a loan of PLN 60 million from Bank DNB Polska. The interest on the loan is equal to WIBOR 1M plus a margin of 1.4%. The loan is due for repayment by March 2018. GPW granted a loan of PLN 10 million on the same terms as the DNB Polska bank loan.

In April 2017, the Head of the Second Mazovian Tax Office called for the payment of PLN 3.8 million resulting from a correction of the interest rate used by TGE for tax liabilities of previous years. A reduced interest rate on overdue taxes is not available where the VAT correction results from an audit by a tax authority. TGE immediately paid the PLN 3.8 million. In the opinion of TGE, the correction and payment of VAT on 15 March 2017 together with interest was not a result of an audit by tax authorities. TGE filed an action against the tax authorities in order to have the overpaid taxes refunded, and lodged a complaint. In the opinion of TGE, the procedure before the tax authorities and a potential subsequent procedure before administrative courts could be long.

Furthermore, the increase of financial expenses was due to negative FX differences (PLN 0.96 million) and the cost of interest on the loan taken by TGE to pay VAT. The cost stood at PLN 0.5 million in H1 2017.

Net of the one-off cost of interest on overdue VAT in TGE, interest on GPW bonds was a major item of financial expenses in the GPW Group and stood at PLN 3.5 million in H1 2017 compared to PLN 3.8 million in H1 2016.

The series A and B bonds issued in December 2011 and February 2012 with a total nominal value of PLN 245.0 million were redeemed in full in Q1 2017 (on 2 January). The bonds were due for redemption on 2 January 2017. The bonds bore interest at a floating rate equal to WIBOR 6M + 1.17%, interest was paid semi-annually. The series A and B bonds were redeemed in part before maturity in 2015. On 6-12 October 2015, GPW bought back 1,245,163 bonds for a total price of PLN 126,010,495.60. The early redemption of the series A and B bonds was paid for with cash raised by GPW through the issue of series C bonds.

The series C bonds bear interest at a fixed rate of 3.19% p.a.

In view of the approaching maturity of the series A and B bonds, the GPW Management Board passed a resolution on 13 October 2016 to issue 1,200,000 bearer bonds with a nominal value of PLN 100 per bond and a total nominal value of PLN 120.0 million. The decision provided for the issue of two series of bonds: series D bonds with a total nominal value up to PLN 60 million and series E bonds with a total nominal value up to PLN 60 million. The bonds bear interest at a floating rate equal to WIBOR 6M plus a margin. The margin on series D and E bonds is 0.95%. The interest on the bonds is paid semi-annually. The series D and E bonds are due for redemption on 31 January 2022.

The issue of series D and E bonds started in 2016 but the bonds were registered in January 2017. Therefore, liabilities under the series D and E bonds were recognised on the books in January 2017.

The interest rate on the series D and E bonds was 2.76% both in the first interest period (January 2017) and in the second interest period (31.01.2017 – 31.07.2017).

The series D and E bonds were introduced to trading on the regulated market Catalyst operated by GPW and in the alternative trading system Catalyst operated by BondSpot.

SHARE OF PROFIT OF ASSOCIATES

The Group's share of profit of associates stood at PLN 4.5 million in H1 2017 compared to a loss of PLN 14 thousand in H1 2016.

The Group's share of the **KDPW Group** profit was PLN 5.5 million in H1 2017 compared to PLN 2.4 million in H1 2016.

The share in the net profit of **Centrum Giełdowe** was PLN 0.6 million in H1 2017 compared to PLN 0.1 million in H1 2016. The volatility of the profit of Centrum Giełdowe in the periods under review resulted mainly from fx differences and payment amounts and dates of the company's US$ denominated loan.

The Group's share of the loss of **Aquis Exchange Ltd** was PLN 1.6 million in H1 2017 compared to PLN 2.5 million in H1 2016.

Following new share issues without the participation of GPW in 2016, GPW's share in Aquis measured by the number of shares decreased from 31.01% as at 31 December 2015 to 22.99% as at 31 December 2016. GPW's share in economic and voting rights decreased from 26.33% to 20.31%. Aquis issued no new shares in H1 2017.

Table 21: Profit / (Loss) of associates

PLN'000	Six-month period ended 30 June 2017	Six-month period ended 30 June 2016	Change (H1 2017 vs H1 2016)	Change (%) (H1 2017 vs H1 2016)
KDPW S.A. Group	16,473	7,126	9,347	131.2%
Centrum Giełdowe S.A.	2,570	575	1,995	347.1%
Aquis Exchange Ltd	(7,822)	(9,616)	1,794	-18.7%
Total	**11,221**	**(1,915)**	**13,136**	**-**

Source: Company

Table 22: GPW's share of profit / (loss) of associates

PLN'000	Six-month period ended 30 June 2017	Six-month period ended 30 June 2016	Change (H1 2017 vs H1 2016)	Change (%) (H1 2017 vs H1 2016)
KDPW S.A. Group	5,492	2,376	3,116	131.2%
Centrum Giełdowe S.A.	637	143	495	347.1%
Aquis Exchange Ltd	(1,589)	(2,532)	943	-37.3%
Total	**4,540**	**(14)**	**4,554**	**-**

Source: Company

INCOME TAX

Income tax of the Group was PLN 17.2 million in H1 2017 compared to PLN 13.9 million in H1 2016. The **effective income tax rate** in the periods under review was 19.8% and 19.2%, respectively, as compared to the standard Polish corporate income tax rate of 19%.

Income tax **paid** by the Group was PLN 31.4 million in H1 2017 compared to PLN 13.0 million in H1 2016. The higher amount of income tax paid was due to the final payment of the income tax for 2016.

On 28 September 2016, the following companies: Giełda Papierów Wartościowych w Warszawie S.A., Towarowa Giełda Energii S.A., BondSpot S.A. and GPW Centrum Usług S.A., entered into a notarised agreement creating the GPW Tax Group ("GPW TG" or "TG") for a period of three tax years from 1 January 2017 to 31 December 2019.

The companies participating in TG are not treated individually but collectively as one corporate income taxpayer under the Corporate Income Tax Act. Such taxpayer's income is determined as the surplus of the sum of incomes of the companies participating in TG over the sum of their losses.

As the Company Representing the Tax Group, Giełda Papierów Wartościowych w Warszawie S.A. is responsible for the calculation and payment of quarterly corporate income tax advances of the Tax Group pursuant to the Corporate Income Tax Act.

While income taxes of the companies participating in TG are no longer paid individually, the companies are still required to individually pay other taxes including VAT and local taxes.

V. Atypical factors and events

SYSTEM OF FINANCING CAPITAL MARKET SUPERVISION

The Act of 12 June 2015 amending the Capital Market Supervision Act and certain other Acts largely extended the list of entities required to finance supervision (by adding, among others, banks, insurers, investment funds, public companies, brokerage houses and foreign investment firms) and changed the amount of contributions of entities. The Act was signed into law by the President of Poland on 31 July 2015 and promulgated in the Journal of Laws on 31 August 2015. A Regulation of the Minister of Finance effective as of 1 January 2016 determines among others the calculation method as well as the terms and conditions of the payment of fees by relevant entities. As a result, the cost of fees paid by the GPW Group was reduced significantly. The fee to PFSA was reduced to PLN 9.1 million in 2016, compared to PLN 22.0 million in 2015.

Following an amendment of regulations governing fees paid to cover the cost of supervision of the capital market and in view of the provisions of an interpretation of the International Financial Reporting Interpretations Committee (IFRIC 21), the GPW Group has decided to change the timing of recognition of liabilities in respect of fees due to PFSA and of charging the fees to costs. Until the end of 2015, GPW recognised 1/12 of the annual fee due to PFSA in each month of the year. According to IFRIC 21, the entity should recognise liabilities in respect of fees due to PFSA at the date of the obligating event. The obligating event is the business subject to the fees due to PFSA carried out as at the 1 January of each year. Consequently, the total estimated amount of the annual fees due to PFSA will be charged to the results of the GPW Group's results in the first quarter of each year.

The Chairperson of the Polish Financial Supervision Authority publishes the fees and the indicators necessary to calculate the fees in a public communique promulgated in the Official Journal of the Polish Financial Supervision Authority by 31 August of each calendar year. On that basis, the entities obliged to pay the fee will calculate the final amount of the annual fee due for the year and pay the fee by 30 September of the calendar year.

In connection with the aforementioned changes related to supervision fees paid to PFSA, similar to 2016, the GPW Group recognised the full estimated amount of the annual fee as a provision of PLN 11.4 million in Q1 2017. The final annual supervision fee to PFSA will be calculated after the publication of the fees and the indicators necessary to calculate the fee, i.e., in September; the final amount may be different from the estimated provision.

GPW as the organiser of WIBID and WIBOR reference rate fixings

The GPW Group acting through its subsidiary GPW Benchmark expanded its services as of 30 June 2017 following the take-over of the function of organiser of WIBID and WIBOR reference rate fixings from the Financial Markets Association ACI Polska and the functions of the calculation agent previously performed by Thomson Reuters. The Group will apply for authorisation as an administrator within the meaning of Regulation 2016/2011.

The decision of GPW to take over the functions of the organiser of reference rate fixings followed a proposal extended by the Association ACI Polska to GPW. ACI Polska decided no longer to perform the functions of the organiser in view of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, which takes effect in early 2018. The Regulation defines the three main categories of indices and imposes requirements on the entities which calculate the indices depending on such classification. In view of the Regulation, the Association ACI Polska decided that it would be unable to meet its requirements and approached GPW with a proposal to take over the functions of the organiser of WIBID and WIBOR reference rate fixings. Following an analysis, GPW decided to accept ACI Polska's proposal.

The transition will take place in phases including: starting the organisation of fixings, which took place on 30 June 2017; obtaining the authorisation to perform the functions of administrator; reviewing the rates methodology.

GPW's decision to take over the organisation of WIBID and WIBOR rate fixings is an important step in its history. While GPW previously focused on trade in capital and commodity market instruments, it now expands to financial market services.

GPW takes over the organisation of reference rate fixings in collaboration with the banks participating in the fixings. This is particularly relevant in view of the role of the banks in the process and the scope of use of reference rates in the banks' business.

VI. Group's assets and liabilities structure

The **balance-sheet total** of the Group was PLN 1,212.7 million as at 30 June 2017, a modest increase compared to PLN 1,181.6 million as at 30 June 2016.

ASSETS

The Group's **non-current assets** stood at PLN 597.2 million representing 49% of total assets as at 30 June 2017 compared to PLN 597.3 million or 52% of total assets as at 31 December 2016 and PLN 579.6 million or 49% of total assets as at 30 June 2016.

The Group's **current assets** stood at PLN 615.5 million representing 51% of total assets as at 30 June 2017 compared to PLN 560.6 million or 48% of total assets as at 31 December 2016 and PLN 602.0 million or 51% of total assets as at 30 June 2016. Trade receivables as at 30 June 2017 decreased compared to both 31 December 2016 and 30 June 2016. The decrease in trade receivables was driven in part by the payment of receivables in respect of TGE's VAT correction invoices following the change of the VAT policy applicable to some of TGE's services. The receivables in respect of corrected VAT stood at PLN 69.7 million. As at 30 June 2017, PLN 36.0 million, i.e., 51.68% of the total receivables in respect of TGE's VAT correction, had been paid. As at 14 July 2017, the paid receivables were PLN 41.5 million, i.e., 59.44% of the total receivables under the VAT correction. The details of the change of the VAT policy applicable to TGE's services are presented in Section V, Note 19 of the Condensed Consolidated Interim Financial Statements of the GPW Group for the six-month period ended 30 June 2017. Cash as at 30 June 2017 increased by PLN 79.5 million year to date and by PLN 24.5 million year on year.

Table 23: Consolidated statement of financial position of the Group at the end of selected periods (assets)

PLN'000	As at 30 June 2017	%	31 December 2016	%	30 June 2016	%
Non-current assets	**597,220**	**49%**	**597,287**	**52%**	**579,574**	**49%**
Property, plant and equipment	113,777	9%	119,130	10%	121,539	10%
Intangible assets	271,380	22%	273,815	24%	258,057	22%
Investment in associates	201,590	17%	197,231	17%	191,412	16%
Deferred tax assets	3,349	0%	1,809	0%	3,041	0%
Available-for-sale financial assets	278	0%	288	0%	290	0%
Non-current prepayments	6,846	1%	5,014	0%	5,235	0%
Current assets	**615,476**	**51%**	**560,561**	**48%**	**602,030**	**51%**
Inventory	53	0%	57	0%	73	0%
Corporate income tax receivables	71	0%	428	0%	234	0%
Trade and other receivables	89,069	7%	113,262	10%	99,965	8%
Cash and cash equivalents	526,283	43%	446,814	39%	501,758	42%
Total assets	**1,212,696**	**100%**	**1,157,848**	**100%**	**1,181,604**	**100%**

Source: Condensed Consolidated Interim Financial Statements

EQUITY AND LIABILITIES

The **equity** of the Group stood at PLN 724.6 million representing 60% of the Group's total equity and liabilities as at 30 June 2017 compared to PLN 745.3 million or 64% of total equity and liabilities as at 31 December 2016 and PLN 672.8 million or 57% of the total equity and liabilities as at 30 June 2016.

Non-current liabilities of the Group stood at PLN 258.8 million representing 21% of the Group's total equity and liabilities as at 30 June 2017 compared to PLN 143.4 million or 12% of total equity and liabilities as at 31 December 2016 and PLN 137.6 million or 12% of the total equity and liabilities as at 30 June 2016. The Group's non-current liabilities include GPW's liabilities under outstanding bonds. The increase of non-current liabilities year to date in H1 2017 was due to the issue of new bonds due for redemption in 2022. Non-current accruals stood at PLN 6.1 million as at 30 June 2017, the same as at 31 December 2016; there were no non-current accruals as at 30 June 2016. The non-current accruals included payments in respect of a subsidy received by TGE for assets in the PCR project in a carrying amount of PLN 6,335 thousand as at 30 June 2017, including PLN 6,064 thousand presented as non-current and PLN 271 thousand as current.

Current liabilities of the Group stood at PLN 229.3 million representing 19% of the Group's total equity and liabilities as at 30 June 2017 compared to PLN 269.2 million or 23% of total equity and liabilities as at 31 December 2016 and PLN 371.2 million or 31% of the total equity and liabilities as at 30 June 2016.

Liabilities under outstanding bonds decreased year on year following the redemption of the series A and B bonds on 2 January 2017. Liabilities under loans and advances were recognised as TGE took a loan to pay its VAT liabilities.

Deferred income increased in respect of annual fees paid by issuers, which are booked in Q1 and recognised over time.

Other current liabilities as at 30 June 2017 increased year to date and decreased year on year. Other current liabilities mainly included the liability under the GPW dividend payment following the resolution of the Ordinary General Meeting of 19 June 2017 concerning 2016 profit distribution and the payment of a dividend to the shareholders in the total amount of PLN 90,240 thousand. Furthermore, other current liabilities included TGE's VAT liability at PLN 15.6 million in H1 2017.

Table 24: Consolidated statement of financial position of the Group at the end of selected periods (equity and liabilities)

	As at					
PLN'000	**30 June 2017**	**%**	**31 December 2016**	**%**	**30 June 2016**	**%**
Equity	**724,591**	**60%**	**745,252**	**64%**	**672,818**	**57%**
Share capital	63,865	5%	63,865	6%	63,865	5%
Other reserves	1,106	0%	1,184	0%	1,560	0%
Retained earnings	659,085	54%	679,678	59%	606,896	51%
Non-controlling interests	535	0%	525	0%	497	0%
Non-current liabilities	**258,780**	**21%**	**143,422**	**12%**	**137,632**	**12%**
Liabilities under bond issue	243,378	20%	123,459	11%	123,669	10%
Employee benefits payable	1,838	0%	1,832	0%	4,686	0%
Finance lease liabilities	-	0%	32	0%	58	0%
Accruals and deferred income	6,064	1%	6,200	1%	-	-
Deferred income tax liability	5,276	0%	9,675	1%	6,995	1%
Other liabilities	2,224	0%	2,224	-	2,224	-
Current liabilities	**229,325**	**19%**	**269,174**	**23%**	**371,154**	**31%**
Liabilities under bond issue	1,896	0%	122,882	11%	121,047	10%
Trade payables	3,496	0%	6,387	1%	6,288	1%
Employee benefits payable	8,060	1%	8,114	1%	10,379	1%
Finance lease liabilities	64	0%	62	0%	55	0%
Deferred income tax liability	7,597	1%	16,154	1%	10,920	1%
Credits and loans	59,958	5%	-	-	-	-
Accruals and deferred income	37,194	3%	7,144	1%	31,021	3%
Provisions for other liabilities and charges	318	0%	333	0%	649	0%
Other current liabilities	110,742	9%	108,098	9%	190,795	16%
Total equity and liabilities	**1,212,696**	**100%**	**1,157,848**	**100%**	**1,181,604**	**100%**

Source: Condensed Consolidated Interim Financial Statements

CASH FLOWS

The Group generated positive cash flows from **operating activities** at PLN 34.9 million in H1 2017 compared to positive cash flows of PLN 147.1 million in H1 2016. The positive cash flows from operating activities in H1 2017 were mainly driven by the net profit, a decrease of receivables, and an increase of accruals and deferred income.

The cash flows from **investing activities** were negative at PLN 9.9 million in H1 2017 compared to negative cash flows of PLN 2.1 million in H1 2016. The negative cash flows were driven by investments in property, plant and equipment at PLN 5.3 million and intangible assets at PLN 8.0 million.

The cash flows from **financing activities** were positive at PLN 54.7 million in H1 2017 compared to negative cash flows of PLN 3.8 million in H1 2016. The positive cash flows from financing activities were driven by the loan taken by TGE to pay VAT liabilities.

Table 25: Consolidated cash flows

PLN'000	Cash flows for the six-month period ended	
	30 June 2017	30 June 2016
Cash flows from operating activities	34,910	147,114
Cash flows from investing activities	(9,930)	(2,081)
Cash flows from financing activities	54,720	(3,797)
Net increase / (decrease) in cash	**79,700**	**141,236**
Impact of change of fx rates on cash balances in foreign currencies	*(231)*	*129*
Cash and cash equivalents - opening balance	**446,814**	**360,393**
Cash and cash equivalents - closing balance	**526,283**	**501,758**

Source: Condensed Consolidated Interim Financial Statements

CAPITAL EXPENDITURE

The Group's total capital expenditure in H1 2017 amounted to PLN 13.3 million including expenditure for property, plant and equipment at PLN 5.3 million and expenditure for intangible assets at PLN 8.0 million. The Group's total capital expenditure in H1 2016 amounted to PLN 5.9 million including expenditure for property, plant and equipment at PLN 4.3 million and expenditure for intangible assets at PLN 1.6 million.

Contracted investment commitments for property, plant and equipment were PLN 502 thousand as at 30 June 2017, including mainly restructuring of GPW offices. Contracted investment commitments for intangible assets were PLN 103 thousand, including mainly the implementation of the financial and accounting system AX 2012 with new modules, consolidation and budgeting, as well as a document flow system in GPW.

Contracted investment commitments for property, plant and equipment were PLN 811.0 thousand as at 31 December 2016, including mainly restructuring of GPW offices.

Contracted investment commitments for intangible assets amounted to PLN 527 thousand as at 31 December 2016 and related mainly to implementation services for the financial and accounting system – controlling module as well as implementation of a document flow system in GPW.

Contracted investment commitments of the Group stood at PLN 9.4 million as at 30 June 2016, including contracted investment commitments for property, plant and equipment at PLN 1.0 million, mainly for restructuring of GPW offices, as well as contracted investment commitments for intangible assets at PLN 8.4 million including mainly:

- electronic document flow system,
- Microsoft product licences in GPW S.A.,
- X-Stream Trading system in TGE,
- implementation of the financial and accounting system AX 2012 with new modules, consolidation and budgeting, in GPW.

VII. Ratio analysis

DEBT AND FINANCING RATIOS

In the period covered by the financial statements, the debt of the Group posed no threat to its going concern and capacity to meet liabilities on time. The ratio of net debt to EBITDA remained negative in the periods under review as liquid assets of the GPW Group exceeded interest-bearing liabilities (negative net debt). The debt to equity ratio increased year on year in H1 2017 due to an increase of the Group's debt. TGE took a loan of PLN 60 million to pay its tax liabilities in Q1 2017. Furthermore, GPW issued new bond series and redeemed series A and B bonds in January 2017; as a result, debt in respect of outstanding bonds remained stable.

LIQUIDITY RATIOS

The current liquidity ratio was 2.7 as at 30 June 2017. The increase of the ratio was due to a decrease of current liabilities following the redemption of series A and B bonds. Non-current liabilities increased following the issue of series D and E bonds which are due for redemption in 2022. The current liquidity ratio remained safe.

The coverage ratio of interest costs under the bond issue increased year on year in H1 2017 due to a decrease of interest expenses and an increase of operating profit. The Group generated cash flows from operating activities which were several times higher than necessary to cover current liabilities under the bond issue.

PROFITABILITY RATIOS

The profitability ratios increased year on year in H1 2017 due to an increase of both operating profit and net profit.

Table 26: Key financial indicators of GPW Group

		As at / For the six-month period ended	
		30 June 2017	30 June 2016
Debt and financing ratios			
Net debt / EBITDA (for a period of 12 months)	1), 2)	(1.1)	(1.5)
Debt to equity	3)	42.1%	36.4%
Liquidity ratios			
Current liquidity	4)	2.7	1.6
Coverage of interest on bonds	5)	27.5	22.9
Return ratios			
EBITDA margin	6)	57.6%	54.1%
Operating profit margin	7)	50.1%	45.8%
Net profit margin	8)	39.0%	37.7%
Cost / income	9)	47.2%	54.1%
ROE	10)	20.4%	17.4%
ROA	11)	11.9%	10.0%

1) Net debt = interest-bearing liabilities less liquid assets of GPW Group (as at balance-sheet date)

2) EBITDA = GPW Group operating profit + depreciation and amortisation (for a period of 12 months; net of the share of profit of associates)

3) Debt to equity = interest-bearing liabilities / equity (as at balance-sheet date)

4) Current liquidity = current assets / current liabilities (as at balance-sheet date)

5) Coverage of interest on bonds = EBITDA / interest on bonds (interest paid and accrued for a period of 3 months)

6) EBITDA margin = EBITDA / GPW Group revenue (for a period of 6 months)

7) Operating profit margin = GPW Group operating profit / GPW Group revenue (for a period of 6 months)

8) Net profit margin = GPW Group net profit / GPW Group revenue (for a period of 6 months)

9) Cost / income = GPW Group operating expenses / GPW Group revenue (for a period of 6 months)

10) ROE = GPW Group net profit (for a period of 12 months) / Average equity at the beginning and at the end of the last 12 month period

11) ROA = GPW Group net profit (for a period of 12 months) / Average total assets at the beginning and at the end of the last 12 month period

Source: Company

VIII. SEASONALITY AND CYCLICALITY OF OPERATIONS

Share prices and the value of trading are significantly influenced by local, regional and global trends impacting the capital markets, which determines the number and size of new issues of financial instruments and the activity of investors on GPW. As a result, the revenue of the Group is cyclical.

Trading in certificates of origin on TGE is subject to some seasonality. The volume of trade in property rights on the property rights market operated by TGE and the activity of participants of the register of certificates of origin are largely determined by the obligation imposed on energy companies which sell electricity to final consumers and have to cancel a certain quantity of certificates of origin in relation to the volume of electricity sold in the year. The percentage of certificates of origin which must be cancelled is fixed for every year in regulations of the Minister of the Economy.

According to the Energy Law applicable until April 2015, the obligation had to be performed until 31 March of the year following the year of the obligation. The Act of 20 February 2015 on renewable energy sources changed the deadlines, whereby the cancellation of green certificates of origin of renewable energy sources (or payment of a replacement fee) for the period from 1 January 2015 to 3 April 2015 was only possible until 31 March 2016. However, the obligation for the period from 4 April 2015 to 31 December 2015 could be performed until 30 June 2016. In subsequent years, the entire obligation is performed until 30 June. For cogeneration (red, yellow, and purple certificates), as of 2015, the obligation can also be performed by 30 June of the year for the previous year (previously: until 31 March). As a result, trading in the first half of the year is relatively higher than in the second half of the year.

The issuance of certificates of origin also intensifies in Q1 and in Q4 of each year. Certificates of origin are subject to mandatory cancellation within time limits set in the energy market regulations.

Trading in energy on the Commodity Forward Instruments Market operated by TGE is not distributed evenly over the year. It is seasonal in that trading is relatively low in the first half of the year compared to the second half of the year. This is because the supply side is awaiting information about the costs of electricity generation (including the cost of fuel) in the first half of the year. The demand side, in turn, needs time to determine its demand for the next year based on the demand of its clients.

IX. Other information

CONTINGENT LIABILITIES AND ASSETS

The GPW Group had no contingent liabilities or assets as at 30 June 2017.

PENDING LITIGATION

According to the Company's best knowledge, there is no litigation pending against the parent entity or other companies of the Group before a court, an arbitration body or a public administration body concerning liabilities or debt with a value of at least 10% of the Company's equity.

RELATED PARTY TRANSACTIONS

In H1 2017, GPW and the associates of GPW did not make any significant transactions on terms other than at arm's length.

In May 2016, TGE granted a short-term loan of PLN 300 thousand to the subsidiary InfoEngine S.A. to finance its current business. The interest rate on the loan was 2.00% p.a. The loan was granted until 31 March 2017 and fully repaid.

In May 2017, GPW granted to the subsidiary TGE a PLN 10 million loan maturing on 31 March 2018. The interest rate on the loan is WIBOR 1M plus a margin of 1.4%.

In June 2017, TGE granted to InfoEngine a PLN 835 thousand loan maturing on 30 June 2022. The interest rate on the loan is 3.3%.

GUARANTIES AND SURETIES GRANTED

As at 30 June 2017, the subsidiary TGE held a bank guarantee of EUR 7.8 million issued to Nord Pool by a bank in respect of payments between TGE and Nord Pool in Market Coupling for the period from 1 July 2017 to 30 June 2018.

The Group granted and accepted no other guarantees and sureties in H1 2017.

DIVIDEND PAYMENT

On 19 June 2017, the Ordinary General Meeting of GPW passed a resolution to distribute the Company's profit for 2016, including a payment of dividend in the total amount of PLN 90,240 thousand. The dividend per share is PLN 2.15. The dividend record date is 19 July 2017 and the dividend payment date is 2 August 2017.

The dividend due to the State Treasury is PLN 31,580 thousand.

FEASIBILITY OF PREVIOUSLY PUBLISHED FORECASTS

The Group did not publish any forecasts of 2017 results.

EVENTS AFTER THE BALANCE-SHEET DATE WHICH COULD SIGNIFICANTLY IMPACT THE FUTURE FINANCIAL RESULTS OF THE ISSUER

There were no other events after the balance-sheet date which could significantly impact the future financial results of the issuer.

FACTORS WHICH WILL IMPACT THE RESULTS AT LEAST IN THE NEXT QUARTER

- as a result of the modified presentation of fees due to PFSA, the GPW Group's operating expenses in H1 2017 include the entire estimated amount of the annual fee to PFSA. The estimated fee will be paid in September 2017 after the Chairperson of the Polish Financial Supervision Authority publishes the fees and the indicators necessary to calculate the fees in a public communique promulgated in the Official Journal of the Polish Financial Supervision Authority.
- the Markets in Financial Instruments Directive II (MiFID II) drafted by the European Commission, which imposes new requirements on financial institutions. The harmonisation of the trading system and activity of the GPW Group with those regulations will require some additional capital expenditures and operating expenses in 2017.
- on 5 October 2015, the multilateral trading facility (MTF) Turquoise in London started to offer trade in Polish shares participating in WIG30. It cannot be ruled out that some investors will trade in shares of Polish companies on Turquoise.
- start of trade on the financial commodity market, which increases operating expenses and capital expenditure and should gradually increase revenue.
- the development of the financial instruments market on TGE: this will require IRGiT to obtain the status of central counterparty (CCP). IRGiT has to comply with capital requirements under the Commission Regulation on OTC derivatives, central counterparties and trade repositories (EMIR).
- the Act of 20 February 2015 on renewable energy sources introduces as of 2016 a new system of support for the production of energy from renewable energy sources (RES) based on auctions. Under the Act, entities previously benefiting from support in the form of certificates of origin may switch to the auction system, which would have an adverse impact on volumes on the Property Rights Market and in the Register of Certificates of Origin. In addition, the Act narrows down the group of entities eligible for support in the form of green certificates (excluding large hydropower installations above 5 MW) and imposes restrictions on the issuance of certificates of origin for multi-fuel combustion plants, which may largely limit the number of property rights to green certificates of origin issued by the Register. Furthermore, the Energy Law requires energy companies which produce electricity and are entitled to compensation (to cover stranded costs) for early termination of long-term power and electricity sale contracts to "publicly" sell generated electricity. The number of entities subject to the formal obligation diminishes over time.

OTHER MATERIAL INFORMATION

Changes on the Management Board of the Company

On 4 January 2017, the Extraordinary General Meeting of GPW passed a resolution dismissing Małgorzata Zaleska as President of the Management Board of the Warsaw Stock Exchange. On 14 March 2017, the Polish Financial Supervision Authority approved the change on the Exchange Management Board dismissing Małgorzata Zaleska, President of the Management Board of the Warsaw Stock Exchange, from the Management Board of the Company.

On 4 January 2017, the Extraordinary General Meeting of GPW acting at the request of the State Treasury, a shareholder representing 35.00% of the Company's share capital, passed a resolution appointing Rafał Antczak as President of the Management Board of the Warsaw Stock Exchange.

On 13 March 2017, GPW received Rafał Antczak's letter of resignation as President of the Management Board of the Warsaw Stock Exchange for personal reasons.

On 14 March 2017, the Polish Financial Supervision Authority approved the change on the Exchange Management Board appointing Jacek Fotek as Vice President of the Management Board of the Warsaw Stock Exchange. Jacek Fotek was appointed Vice President of the Management Board of the Warsaw Stock Exchange by the Supervisory Board on 16 December 2016.

On 15 March 2017, the Supervisory Board of GPW passed a resolution delegating Jarosław Grzywiński, Member of the Exchange Supervisory Board, to temporarily perform the duties of President of the Management Board of GPW for a period up to 3 months starting on 15 March 2017.

On 22 March 2017, Paweł Dziekoński resigned as Vice President of the Management Board of the Warsaw Stock Exchange.

The GPW Supervisory Board at its meeting on 13 June 2017 decided to appoint Jarosław Grzywiński as Vice President of the Management Board of the Warsaw Stock Exchange. The decision will take effect subject to the approval of the Polish Financial Supervision Authority for the change on the Exchange Management Board. The Company has not received PFSA's decision as at the date of approval of this Report.

On 19 June 2017, the General Meeting of the Warsaw Stock Exchange passed a resolution appointing Mr Marek Dietl as President of the Management Board of the Warsaw Stock Exchange. The decision will take effect upon GPW's receipt of the approval of the Polish Financial Supervision Authority for the change on the Exchange Management Board under the resolution. The Company has not received PFSA's decision as at the date of approval of this Report.

In the opinion of the Company, in H1 2017, there were no significant events or circumstances, other than those presented in this Report, which would be material to an evaluation of the Company's or the Group's position with regard to its human resources, assets, financial position, financial results and capacity to meet obligations.

X. Appendices

Condensed Consolidated Interim Financial Statements for the six-month period ended 30 June 2017 and the auditor’s audit report

Condensed Separate Interim Financial Statements for the six-month period ended 30 June 2017 and the auditor’s review report

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This document is a free translation of the Polish original. Terminology current in Anglo-Saxon countries has been used where practicable for the purposes of this translation in order to aid understanding. The binding Polish original should be referred to in matters of interpretation.

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2017 TO 30 JUNE 2017

To the Shareholders of Giełda Papierów Wartościowych w Warszawie S.A.

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of the Giełda Papierów Wartościowych w Warszawie Group as at 30 June 2017, with its parent company's registered office in Warsaw, ul. Książęca 4 ("the condensed consolidated interim financial statements"), which comprise:

- the consolidated statement of financial position as at 30 June 2017,
- the consolidated statements of comprehensive income for the three-month and six-month periods ended 30 June 2017,
- the consolidated statement of changes in equity for the six-month period ended 30 June 2017,
- the consolidated statement of cash flows for the six-month period ended 30 June 2017, and
- notes to the condensed consolidated interim financial statements.

Management of the parent company is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting* as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements, based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as adopted by the resolution dated 10 February 2015 of the National Council of Certified Auditors as the National Standard on Assurance 2410. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with National Standards on Assurance or International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements the Giełda Papierów Wartościowych w Warszawie Group as at 30 June 2017 are not prepared, in all material respects, in accordance with International Accounting Standard 34 *Interim Financial Reporting* as adopted by the European Union.

On behalf of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
registration number 458
ul. Inflancka 4A
00-189 Warsaw

Signed on the Polish original

....
Mirosław Matusik
Key Certified Auditor
Registration No. 90048
Limited Liability Partner with power of attorney

21 July 2017

Condensed Consolidated Interim
Financial Statements of the

Giełda Papierów Wartościowych w Warszawie S.A. Group

for the six-month period ended 30 June 2017

July 2017

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(all amounts in PLN'000 unless indicated otherwise)

I. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at	
		30 June 2017 *(unaudited)*	**31 December 2016**
Non-current assets		**597,220**	**597,287**
Property, plant and equipment	**3**	113,777	119,130
Intangible assets	**4**	271,380	273,815
Investment in associates	**5**	201,590	197,231
Deferred tax asset		3,349	1,809
Available-for-sale financial assets		278	288
Non-current prepayments		6,846	5,014
Current assets		**615,476**	**560,561**
Inventories		53	57
Corporate income tax receivable		71	428
Trade and other receivables	**6**	89,069	113,262
Cash and cash equivalents	**8**	526,283	446,814
TOTAL ASSETS		**1,212,696**	**1,157,848**

The attached Notes are an integral part of these Condensed Consolidated Interim Financial Statements.

(all amounts in PLN'000 unless indicated otherwise)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Note	As at	
		30 June 2017 *(unaudited)*	**31 December 2016**
Equity		**724,591**	**745,252**
Equity of the shareholders of the parent entity		**724,056**	**744,727**
Share capital		63,865	63,865
Other reserves		1,106	1,184
Retained earnings		659,085	679,678
Non-controlling interests		**535**	**525**
Non-current liabilities		**258,780**	**143,422**
Liabilities on bonds issue	**9**	243,378	123,459
Employee benefits payable		1,838	1,832
Finance lease liabilities		-	32
Accruals and deferred income	**10**	6,064	6,200
Deferred tax liability		5,276	9,675
Other non-current liabilities		2,224	2,224
Current liabilities		**229,325**	**269,174**
Liabilities on bonds issue	**9**	1,896	122,882
Trade payables		3,496	6,387
Employee benefits payable		8,060	8,114
Finance lease liabilities		64	62
Corporate income tax payable		7,597	16,154
Liabilities under loans and advances	**12**	59,958	-
Accruals and deferred income	**10**	37,194	7,144
Provisions for other liabilities and charges		318	333
Other current liabilities	**11**	110,742	108,098
TOTAL EQUITY AND LIABILITIES		**1,212,696**	**1,157,848**

The attached Notes are an integral part of these Condensed Consolidated Interim Financial Statements.

(all amounts in PLN'000 unless indicated otherwise)

II. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Three-month period ended 30 June		Six-month period ended 30 June	
		2017 *(unaudited)*	2016 *(restated, unaudited)*	2017 *(unaudited)*	2016 *(restated, unaudited)*
Revenue		87,635	74,461	178,669	155,492
Operating expenses		(37,765)	(38,026)	(84,280)	(84,148)
Other income		31	204	361	552
Other expenses		(868)	(46)	(5,282)	(610)
Operating profit		**49,033**	**36,593**	**89,468**	**71,286**
Financial income		1,538	5,246	2,932	7,209
Financial expenses		(2,497)	(2,928)	(10,048)	(5,908)
Share of profit of associates	**5**	3,045	1,354	4,540	(14)
Profit before income tax		**51,119**	**40,265**	**86,892**	**72,573**
Income tax expense	**13**	(9,173)	(7,147)	(17,200)	(13,938)
Profit for the period		**41,946**	**33,118**	**69,692**	**58,635**
Effective portion of change of fair value of cash flow hedges		-	*156*	-	*163*
Gains /(losses) on valuation of available-for-sale financial assets of associates		*71*	*(77)*	*(78)*	*(58)*
Items that may be reclassified to profit or loss		71	79	(78)	105
Other comprehensive income after tax		**71**	**79**	**(78)**	**105**
Total comprehensive income		**42,017**	**33,197**	**69,614**	**58,740**
Profit for the period attributable to shareholders of the parent entity		*41,925*	*33,114*	*69,646*	*58,624*
Profit for the period attributable to non-controlling interests		*21*	*4*	*46*	*11*
Total profit for the period		41,946	33,118	69,692	58,635
Comprehensive income attributable to shareholders of the parent entity		*41,996*	*33,193*	*69,568*	*58,729*
Comprehensive income attributable to non-controlling interests		*21*	*4*	*46*	*11*
Total comprehensive income		42,017	33,197	69,614	58,740
Basic/Diluted earnings per share (PLN)		**1.03**	**0.79**	**1.66**	**1.40**

The attached Notes are an integral part of these Condensed Consolidated Interim Financial Statements.

(all amounts in PLN'000 unless indicated otherwise)

III. CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Six-month period ended 30 June 2017 (unaudited)	Six-month period ended 30 June 2016 (restated, unaudited)
Cash flows from operating activities:		**34,910**	**147,114**
Cash generated from operation before tax		80,810	160,076
Net profit of the period		69,692	58,635
Adjustments:		11,119	101,441
Income tax	**13**	17,200	13,938
Depreciation of property, plant and equipment	**3**	6,553	7,066
Amortisation of intangible assets	**4**	6,864	5,845
Foreign exchange (gains)/losses		231	(129)
(Profit)/Loss on sale of property, plant and equipment and intangible assets		4	14
Financial (income)/expense of available-for-sale financial assets		11	-
Gain on dilution of shares of associate		-	(3,064)
Income from interest on deposits		(2,788)	(3,334)
Income from interest on loans granted		-	-
Interest and cost on issued bonds		3,486	4,003
Bank loan expense		655	-
Net change of provisions for liabilities and other charges		(15)	28
Change of non-current prepayments		(1,832)	(399)
Share of (profit)/loss of associates	**5**	(4,540)	14
Other		4,602	323
Change in current assets and liabilities:		(19,313)	77,136
(Increase)/Decrease of inventories		*4*	*62*
(Increase)/Decrease of trade and other receivables		*24,193*	*31,592*
Increase/(Decrease) of trade payables		*(2,891)*	*(88)*
Increase/(Decrease) of employee benefits payable		*(48)*	*1,562*
Increase/(Decrease) of accruals and deferred income		*29,914*	*23,758*
Increase/(Decrease) of other liabilities (excluding investment liabilities and dividend payable)		*(70,485)*	*20,250*
Interest on tax payable (paid)/refunded		(14,492)	-
Income tax (paid)/refunded		(31,408)	(12,962)

The attached Notes are an integral part of these Condensed Consolidated Interim Financial Statements.

(all amounts in PLN'000 unless indicated otherwise)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	Note	Six-month period ended 30 June	
		2017 *(unaudited)*	**2016** *(restated, unaudited)*
Cash flows from investing activities:		**(9,930)**	**(2,081)**
Purchase of property, plant and equipment and advances for property, plant and equipment		(5,302)	(4,289)
Purchase of intangible assets and advances for intangible assets		(7,996)	(1,629)
Proceeds from sale of property, plant and equipment and intangible assets		478	353
Interest received		2,788	3,334
Dividends received		102	150
Cash flows from financing activities:		**54,720**	**(3,797)**
Paid interest on bonds		(3,998)	(3,770)
Paid interest on loans and advances		(397)	-
Loans and advances received		59,700	-
Proceeds from bond issue		119,929	-
Buy-back of bonds issued		(120,484)	-
Payment of finance lease liabilities		(30)	(27)
Net (decrease)/increase in cash and cash equivalents		**79,700**	**141,236**
Impact of fx rates on cash balance in currencies		*(231)*	*129*
Cash and cash equivalents - opening balance		**446,814**	**360,393**
Cash and cash equivalents - closing balance		**526,283**	**501,758**

The attached Notes are an integral part of these Condensed Consolidated Interim Financial Statements.

(all amounts in PLN'000 unless indicated otherwise)

IV. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to the shareholders of the parent entity				Non-controlling interests	Total equity
	Share capital	Other reserves	Retained earnings	Total		
As at 31 December 2016	**63,865**	**1,184**	**679,678**	**744,727**	**525**	**745,252**
Dividends	-	-	(90,239)	**(90,239)**	(36)	**(90,275)**
Transactions with owners recognised directly in equity	**-**	**-**	**(90,239)**	**(90,239)**	**(36)**	**(90,275)**
Profit for the six-month period ended 30 June 2017	-	-	69,646	**69,646**	46	**69,692**
Other comprehensive income	-	(78)	-	**(78)**	-	**(78)**
Total comprehensive income for the six-month period ended 30 June 2017 *(unaudited)*	**-**	**(78)**	**69,646**	**69,568**	**46**	**69,614**
As at 30 June 2017 *(unaudited)*	**63,865**	**1,106**	**659,085**	**724,056**	**535**	**724,591**

	Attributable to the shareholders of the parent entity				Non-controlling interests	Total equity
	Share capital	Other reserves	Retained earnings	Total		
As at 31 December 2015 *(previously reported)*	**63,865**	**1,455**	**655,401**	**720,721**	**546**	**721,267**
Adjustments	-	-	(8,075)	**(8,075)**	-	**(8,075)**
As at 31 December 2015 *(restated)*	**63,865**	**1,455**	**647,326**	**712,646**	**546**	**713,192**
Dividends	-	-	(99,054)	**(99,054)**	(61)	**(99,115)**
Transactions with owners recognised directly in equity	**-**	**-**	**(99,054)**	**(99,054)**	**(61)**	**(99,115)**
Profit for the year ended 31 December 2016	-	-	131,094	**131,094**	40	**131,134**
Other comprehensive income	-	(272)	-	**(272)**	-	**(272)**
Total comprehensive income for the year ended 31 December 2016	**-**	**(272)**	**131,094**	**130,822**	**40**	**130,862**
Other changes in equity	-	-	313	**313**	-	**313**
As at 31 December 2016	**63,865**	**1,184**	**679,678**	**744,727**	**525**	**745,252**

The attached Notes are an integral part of these Condensed Consolidated Interim Financial Statements

(all amounts in PLN'000 unless indicated otherwise)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Attributable to the shareholders of the parent entity				Non-controlling interests	Total equity
	Share capital	Other reserves	Retained earnings	Total		
As at 31 December 2015 *(previously reported)*	**63,865**	**1,455**	**655,401**	**720,721**	**546**	**721,267**
Adjustments	-	-	(8,075)	**(8,075)**	-	**(8,075)**
As at 31 December 2015 *(restated)*	**63,865**	**1,455**	**647,326**	**712,646**	**546**	**713,192**
Dividends	-	-	(99,054)	**(99,054)**	(60)	**(99,114)**
Transactions with owners recognised directly in equity	**-**	**-**	**(99,054)**	**(99,054)**	**(60)**	**(99,114)**
Profit for the six-month period ended 30 June 2016 *(restated, unaudited)*	-	-	58,624	**58,624**	11	**58,635**
Other comprehensive income	-	105	-	**105**	-	**105**
Total comprehensive income for the six-month period ended 30 June 2016 *(restated, unaudited)*	**-**	**105**	**58,624**	**58,729**	**11**	**58,740**
As at 30 June 2016 *(restated, unaudited)*	**63,865**	**1,560**	**606,896**	**672,321**	**497**	**672,818**

The attached Notes are an integral part of these Condensed Consolidated Interim Financial Statements.

V. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1. General

1.1. Legal status and scope of operations of the entity

The parent entity of the Giełda Papierów Wartościowych w Warszawie S.A. Group ("the Group") is Giełda Papierów Wartościowych w Warszawie Spółka Akcyjna ("Warsaw Stock Exchange", "the Exchange", "GPW", "the Company" or "parent entity") with its registered office in Warsaw, ul. Książęca 4. The Company was established by Notarial Deed on 12 April 1991 and registered in the Commercial Court in Warsaw on 25 April 1991, entry no. KRS 0000082312, Tax Identification Number 526-025-09-72, Regon 012021984. GPW has been listed on GPW's Main Market since 9 November 2010.

The core activities of the Group include organising exchange trading in financial instruments and activities related to such trading. At the same time, the Group pursues activities in education, promotion and information concerning the capital market and organises an alternative trading system. The Group is active on the following markets:

- **GPW Main Market** (trade in equities, other equity-related financial instruments and other cash markets instruments as well as derivatives);
- **NewConnect** (trade in equities and other equity-related financial instruments of small and medium-sized enterprises);
- **Catalyst** (trade in corporate, municipal, co-operative, Treasury and mortgage bonds operated by GPW and BondSpot);
- **Treasury BondSpot Poland** (wholesale trade in Treasury bonds operated by BondSpot).

The Group also organises and operates trade on the markets operated by Towarowa Giełda Energii S.A. ("the Polish Power Exchange", "POLPX") and InfoEngine S.A.:

- **Energy Markets** (trade in electricity on the Intra-Day Market, Day-Ahead Market, Commodity Forward Instruments Market, Electricity Auctions),
- **Gas Market** (trade in natural gas with physical delivery on the Intra-Day and Day-Ahead Market and the Commodity Forward Instruments Market),
- **Property Rights Market** (trade in property rights in certificates of origin of electricity),
- **CO_2 Emission Allowances Market** (trade in CO_2 emission allowances),
- **OTC (Over-the-Counter) commodity trade platform** (complements the offer with OTC commodity trade in electricity, energy biomass and property rights in certificates of origin).

On 23 February 2015, POLPX received a decision of the Minister of Finance authorising POLPX to operate an exchange and start trade on the Financial Instruments Market. The POLPX Financial Instruments Market opened on 4 November 2015.

On 30 June, the GPW Group (acting through the subsidiary GPW Benchmark S.A.) started the activity of calculating and distributing WIBID and WIBOR reference rates, used by financial institutions as a benchmark in lending and deposit agreements and in the issuance of bonds.

The GPW Group also operates:

- **Clearing House and Settlement System** (performing the functions of an exchange settlement system for transactions in exchange-traded commodities),
- **Trade Operator and Balancing Entity services** – both types of services are offered by InfoEngine S.A., balancing involves the submission of power sale contracts for execution and clearing of non-balancing with the grid operator (differences between actual power production or consumption and power sale contracts accepted for execution).

GPW is also present in London through an appointed permanent representative of GPW whose mission is to support acquisition on the London market, in particular the acquisition of new investors and Exchange Members.

1.2. Approval of the financial statements

The Condensed Consolidated Interim Financial Statements were authorised for issuance by the Management Board of the parent entity on 21 July 2017.

1.3. Composition and activity of the Group

The Warsaw Stock Exchange and its following subsidiaries:

- Towarowa Giełda Energii S.A. ("Polish Power Exchange", "POLPX"), the parent entity of the Towarowa Giełda Energii S.A. Group ("Polish Power Exchange Group", "POLPX Group");
- BondSpot S.A. ("BondSpot");
- GPW Benchmark S.A. ("GPWB"), formerly GPW Centrum Usług S.A. ("GPW CU");
- Instytut Analiz i Ratingu S.A. ("IAiR")

comprise the Warsaw Stock Exchange Group.

The following are the associates over which the Group exerts significant influence:

- Krajowy Depozyt Papierów Wartościowych S.A. ("KDPW"), parent entity of the KDPW Group;
- Centrum Giełdowe S.A. ("CG"),
- Aquis Exchange Limited ("Aquis").

2. Basis of preparation of the financial statements

These Condensed Consolidated Interim Financial Statements of the Giełda Papierów Wartościowych w Warszawie S.A. Group have been prepared according to the International Accounting Standard 34 "Interim Financial Reporting" approved by the European Union.

In the opinion of the Management Board of the parent entity, in the notes to the Condensed Consolidated Interim Financial Statements of the Giełda Papierów Wartościowych w Warszawie S.A. Group ("Group"), GPW included all material information necessary for the proper assessment of the assets and the financial position of the Group as at 30 June 2017 and its financial results in the period from 1 January 2017 to 30 June 2017.

These Condensed Consolidated Interim Financial Statements have been prepared on the assumption that the Group will continue as a going concern in the foreseeable future. As at the date of preparation of these Condensed Consolidated Interim Financial Statements, in the opinion of the Management Board of the parent entity, there are no circumstances indicating any threats to the Group's ability to continue operations.

(all amounts in PLN'000 unless indicated otherwise)

The Group has prepared the Condensed Consolidated Interim Financial Statements in accordance with the same accounting policies as those described in the audited Financial Statements for the year ended 31 December 2016 other than for changes resulting from the application of new standards as described below. The Condensed Consolidated Interim Financial Statements for the six-month period ended 30 June 2017 should be read in conjunction with the audited Consolidated Financial Statements for the year ended 31 December 2016.

The following amendments of existing standards adopted by the European Union are effective for the financial statements of the Group for the financial year started on 1 January 2017:

1) Amendments to IAS 12 Income Taxes – recognition of deferred tax assets for unrealised losses;
2) Amendments to IAS 7 Statement of Cash Flows – an entity shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

According to the Group's assessment, these interpretations and amendments to the standards have no material impact on the Condensed Consolidated Interim Financial Statements.

The critical accounting estimates and judgements used by the Management Board of the parent entity in the application of the Group's accounting policy and the key sources of uncertainty were the same as those used in the audited Consolidated Financial Statements as at 31 December 2016.

3. Property, plant and equipment

Table 1: Change of the net carrying value of property, plant and equipment by category

	Period of	
	6 months ended 30 June 2017 *(unaudited)*	**12 months ended 31 December 2016**
Net carrying value - opening balance	**119,130**	**125,229**
Additions	2,376	17,230
Reclassification and other adjustments	8	(8,785)
Disposals	(22)	(581)
Depreciation charge	(7,715)	(13,964)
indluding capitalisation of depreciation to intangibles	*1,162*	*212*
Net carrying value - closing balance	**113,777**	**119,130**

Contracted investment commitments for property, plant and equipment were PLN 502 thousand as at 30 June 2017, including mainly restructuring of GPW offices.

Contracted investment commitments for property, plant and equipment were PLN 811 thousand as at 31 December 2016, including mainly restructuring of GPW offices.

(all amounts in PLN'000 unless indicated otherwise)

4. Intangible assets

Table 2: Change of the net carrying value of intangible assets by category

	Period of	
	6 months ended 30 June 2017 *(unaudited)*	12 months ended 31 December 2016
Net carrying value - opening balance	**273,815**	**261,728**
Additions*	4,889	17,523
Reclassification and other adjustments	-	8,975
Disposals	(460)	(2,370)
Amortisation charge	(6,864)	(12,041)
Net carrying value - closing balance	**271,380**	**273,815**

** Additions include accrued amortisation at PLN 1,162 thousand as at 30 June 2017 and PLN 212 thousand as at 31 December 2016*

Contracted investment commitments for intangible assets amounted to PLN 103 thousand as at 30 June 2017 and related mainly to the implementation of the financial and accounting system AX 2012 with new modules: consolidation and budgeting in GPW.

Contracted investment commitments for intangible assets amounted to PLN 527 thousand as at 31 December 2016 and related mainly to GPW's financial and accounting system and document flow system.

5. Investment in associates

Table 3: Carrying value of investment in associates

	As at	
	30 June 2017 *(unaudited)*	31.gru.16
KDPW S.A. Group	169,962	164,549
Centrum Giełdowe S.A.	16,918	16,383
Aquis Exchange Limited	14,710	16,299
Total	**201,590**	**197,231**

(all amounts in PLN'000 unless indicated otherwise)

Table 4: Change of the value of investment in associates

	As at/ For the period of	
	6 months ended 30 June 2017 *(unaudited)*	**12 months ended 31 December 2016**
Opening balance	**197,231**	**188,570**
Gain on dilution of shares of Aquis Exchange Limited	-	5,807
Dividends	(102)	(150)
Share of profit (after tax)	4,540	3,518
Share in other comprehensive income	(79)	(514)
Closing balance	**201,590**	**197,231**

6. Trade and other receivables

Table 5: Trade and other receivables

	As at	
	30 June 2017 *(unaudited)*	**31 December 2016**
*Gross trade receivables**	*72,193*	*102,221*
Impairment allowances for receivables	*(2,569)*	*(1,941)*
Total trade receivables	**69,624**	**100,280**
Current prepayments	8,079	3,837
Other receivables and advance payments	3,401	9,094
Receivables in respect of tax settlements**	7,965	51
including: VAT	*7,936*	*23*
Total other receivables	**19,445**	**12,982**
Total trade and other receivables	**89,069**	**113,262**

** Gross trade receivables as at 30 June 2017 include receivables in respect of corrections of POLPX counterparty payments following VAT corrections for 2011-2016 at PLN 30,176 thousand (estimated at PLN 66,246 thousand as at 31 December 2016).*
*** As at 30 June 2017, VAT receivables of the subsidiary IRGIT stood at PLN 7,545 thousand.*

(all amounts in PLN'000 unless indicated otherwise)

7. Provisions and impairment losses for assets

In the period from 1 January 2017 to 30 June 2017, impairment losses for assets were adjusted as follows:

- impairment allowances for receivables: an increase of PLN 628 thousand (provision additions of PLN 855 thousand, releases of PLN 84 thousand, receivables were written off as unenforceable at PLN 143 thousand).

Furthermore, in the period from 1 January 2017 to 30 June 2017, there were the following changes in estimates relating to provisions:

- provisions against employee benefits (mainly annual bonuses) were reduced by PLN 42 thousand (releases of PLN 1,011 thousand, usage of PLN 4,756 thousand, provision additions of PLN 5,725 thousand).

8. Cash and cash equivalents

Table 6: Cash and cash equivalents

	As at	
	30 June 2017 *(unaudited)*	31 December 2016
Cash	1	16
Current accounts	59,259	265,502
Bank deposits	467,023	181,296
Total cash and cash equivalents	**526,283**	**446,814**

9. Bond issue liabilities

Table 7: Bond issue liabilities

	As at	
	30 June 2017 *(unaudited)*	31 December 2016
Liabilities under bond issue - non-current:	**243,378**	**123,459**
Series C bonds	123,923	123,459
Series D and E bonds	119,455	-
Liabilities under bond issue - current:	**1,896**	**122,882**
Series A and B bonds	-	122,279
Series C bonds	671	603
Series D and E bonds	1,225	-
Total liabilities under bond issue	**245,274**	**246,341**

(all amounts in PLN'000 unless indicated otherwise)

Series A and B bonds

Series A and B bonds were partly redeemed before maturity in October 2015 in the nominal amount of PLN 124,516 thousand. The remaining series A and B bonds were redeemed on 2 January 2017.

Series D and E bonds

On 13 October 2016, the GPW Management Board passed a resolution to issue 1,200,000 unsecured bearer bonds with a nominal value of PLN 100 per bond and a total nominal value of PLN 120,000 thousand. The bonds were issued in January 2017 in two series: series D bonds with a total nominal value of PLN 60,000 thousand and series E bonds with a total nominal value of PLN 60,000 thousand. The issue price of series D bonds addressed to institutional investors was PLN 100 per bond. The issue price of series E bonds addressed to individual investors was from PLN 99.88 to PLN 99.96 (depending on the date of subscription).

The bonds bear interest at a floating rate equal to WIBOR 6M plus a margin of 95 basis points. The interest on the bonds is paid semi-annually. The bonds are due for redemption on 31 January 2022.

The series D and E bonds were introduced to trading on the regulated market Catalyst operated by GPW and in the alternative trading system Catalyst operated by BondSpot.

10. Accruals and deferred income

Table 8: Accruals and deferred income

	As at	
	30 June 2017 *(unaudited)*	**31 December 2016**
Deferred income	6,064	6,200
Non-current accruals and deferred income	**6,064**	**6,200**
Financial market	16,760	-
Commodity market	5,139	4,300
Other income	68	571
Deferred income	21,967	4,871
Accruals*	15,227	2,273
Current accruals and deferred income	**37,194**	**7,144**
Total accruals and deferred income	**43,258**	**13,344**

** Accruals as at 30 June 2017 mainly include the fee to PFSA (PLN 11,357 thousand)*

Non-current accruals and deferred income include a subsidy received by POLPX for assets in the PCR project in a carrying amount of PLN 6,335 thousand as at 30 June 2017, of which PLN 6,064 thousand is presented as non-current and PLN 271 thousand as current (a detailed description of the recognition of the subsidy was published in Note 18 to the Consolidated Financial Statements of the GPW Group for the year ended 31 December 2016).

Current accruals and deferred income of the financial market and the commodity market include annual fees payable by market participants.

(all amounts in PLN'000 unless indicated otherwise)

11. Other current liabilities

Other current liabilities as at 30 June 2017 include mainly POLPX's VAT liabilities of the current period as well as liabilities in respect of the dividend (for details, see Note 15).

POLPX paid VAT liabilities relating mainly to changes in POLPX' tax policy in the total amount of PLN 78,969 thousand at 15 March 2017. VAT liabilities as at 30 June 2017 were PLN 14,174 thousand in respect of current VAT liabilities; VAT liabilities as at 31 December 2016 were PLN 96,923 thousand, including PLN 77,397 thousand of liabilities in respect of the VAT correction for 2011-2016.

12. Liabilities under loans and advances

On 15 March 2017, the subsidiary POLPX signed a PLN 60 million short-term loan agreement with the bank DNB Nord to pay the outstanding VAT liabilities in connection with the change in POLPX's VAT policy. The loan bears interest at the WIBOR 1M deposit rate; interest is accrued and paid monthly. The final repayment date of the loan is 30 March 2018. The liability under the loan according to the amortised cost method was PLN 59,958 thousand as at 30 June 2017.

13. Income tax

Table 9: Income tax by current and deferred tax

	Six-month period ended 30 June	
	2017 (unaudited)	**2016** *(restated, unaudited)*
Current income tax	23,141	21,022
Deferred tax	(5,941)	(7,084)
Total income tax	**17,200**	**13,938**

As required by the Polish tax regulations, the tax rate applicable in 2017 and 2016 is 19%.

(all amounts in PLN'000 unless indicated otherwise)

Table 10: Reconciliation of the theoretical amount of tax arising from profit before tax and the statutory tax rate with the income tax expense presented in the statement of comprehensive income

	Six-month period ended 30 June	
	2017 (unaudited)	**2016** *(restated, unaudited)*
Profit before income tax	86,892	72,573
Income tax rate	19%	19%
Income tax at the statutory tax rate	**16,509**	**13,789**
Tax effect:	**691**	**149**
Non-tax-deductible expenses	1,534	209
Additional taxable income	-	6
(Gains) on dilution of investment in Aquis	-	(582)
Tax losses of subsidiaries not recognised in deferred tax	22	149
Non-taxable share of profit of associates	(863)	3
Other adjustments	(2)	364
Total income tax	**17,200**	**13,938**

14. Related party transactions

Related parties of the Group include its associates (KDPW S.A. Group, Centrum Giełdowe S.A., and Aquis Exchange Limited) and the State Treasury as the parent entity (holding 35.00% of the share capital and 51.76% of the total number of voting rights as at 30 June 2017), entities controlled and jointly controlled by the State Treasury and entities on which the State Treasury has significant influence. Furthermore, related parties include the key management personnel of the Group.

14.1. Information about transactions with entities which are related parties of the State Treasury

The Group keeps no records which would clearly identify and aggregate transactions with all entities which are related parties of the State Treasury.

Companies with a stake held by the State Treasury

Companies with a stake held by the State Treasury, with which the parent entity enters into transactions, include issuers (from which GPW charges introduction and listing fees) and Exchange Members (from which GPW charges fees for access to trade on the exchange market, fees for access to the GPW IT systems, and fees for trade in financial instruments).

Of the biggest clients of the parent entity, Powszechna Kasa Oszczędności Bank Polski S.A. was the only entity with a stake held by the State Treasury with which GPW entered into individually material transactions. The total sale to that company was PLN 6,721 thousand in the six-month period ended 30 June 2017 and PLN 2,369 thousand in the six-month period ended 30 June 2016.

Companies with a stake held by the State Treasury, with which POLPX and IRGiT enter into transactions, include members of the markets operated by POLPX and members of the Clearing House. Fees are charged from such entities for participation and for trade on the markets operated by POLPX, for issuance and cancellation of property rights in certificates of origin, and for clearing.

Of the biggest clients of the POLPX Group, PGE Dom Maklerski S.A. ("PGE") entered individually into material transactions with the POLPX Group. The total revenue of POLPX and IRGiT from PGE was PLN 9,017 thousand in the six-month period ended 30 June 2017 and PLN 4,460 thousand in in the six-month period ended 30 June 2016. PGE Dom Maklerski S.A. is a member of the markets operated by POLPX and a member of IRGiT.

No other companies with a stake held by the State Treasury which entered into individually or collectively material transactions with the Group were identified among suppliers of the Group.

All trade transactions with entities with a stake held by the State Treasury are concluded in the normal course of business and are carried out on an arm's length basis. According to the Group's estimates, the individual and aggregate impact of other trade transactions with entities with a stake held by the State Treasury was immaterial in the six-month period ended 30 June 2017.

In accordance with the Polish law, the Group's companies are subject to tax obligations. Hence, they pay tax to the State Treasury, which is a related party. The rules and regulations applicable to the Group's companies in this regard are the same as those applicable to other entities which are not related parties.

Polish Financial Supervision Authority

The Regulation of the Minister of Finance which determines among others the calculation method as well as the terms and conditions of the payment of fees by relevant entities to the Polish Financial Supervision Authority took effect as of 1 January 2016. According to the Regulation, the Chairperson of the Polish Financial Supervision Authority publishes the rates and the indicators necessary to calculate the fees in a public communique promulgated in the Official Journal of the Polish Financial Supervision Authority by 31 August of each calendar year. On that basis, the entities obliged to pay the fee will calculate the final amount of the annual fee due for the year and pay the fee by 30 September of the calendar year.

In the six-month period ended 30 June 2017, the operating expenses of the GPW Group included an estimated amount of the annual fee at PLN 11,357 thousand. The fee charged to the expenses of the GPW Group in the six-month period ended 30 June 2016 was PLN 11,213 thousand.

(all amounts in PLN'000 unless indicated otherwise)

14.2. Transactions with associates

Table 11: Transactions of GPW Group companies with associates

	As at 30 June 2017 *(unaudited)*		Six-month period ended 30 June 2017 *(unaudited)*	
	Receivables	**Liabilities**	**Sales revenue**	**Operating expenses**
KDPW S.A. Group	-	-	-	32
Centrum Giełdowe S.A.	-	72	-	586
Aquis Exchange Limited	3	-	10	-
Total	**3**	**72**	**10**	**618**

Table 12: Transactions of GPW Group companies with associates

	As at 31 December 2016		Six-month period ended 30 June 2016 *(unaudited)*	
	Receivables	**Liabilities**	**Sales revenue**	**Operating expenses**
KDPW S.A. Group	-	-	-	3
Centrum Giełdowe S.A.	-	102	45	81
Aquis Exchange Limited	-	-	7	-
Total	**-**	**102**	**52**	**84**

During the first six months of 2017 and 2016, there were no write-offs or material impairment allowances created for receivables from associates.

As owner and lessee of office space in the Centrum Giełdowe building, GPW pays rent and operating expenses, including for joint property, to the building manager, Centrum Giełdowe S.A.

In 2017 and 2016, GPW also concluded transactions with the Książęca 4 Street Housing Cooperative of which it is a member. The expenses amounted to PLN 2,046 thousand in the first six months of 2017 and PLN 1,709 thousand in the first six months of 2016.

14.3. Information on remuneration and benefits of the key management personnel

The management personnel of the Group includes the Exchange Management Board and the Exchange Supervisory Board. The data presented in the table below are for all (current and former) members of the Exchange Management Board and the Exchange Supervisory Board who were in office in 2016 and 2017, respectively.

(all amounts in PLN'000 unless indicated otherwise)

The table does not present social security contributions paid by the employer.

Table 13: Remuneration and benefits to the key management personnel of the Group

	Three-month period ended 30 June		Six-month period ended 30 June	
	2017 (unaudited)	2016 (unaudited)	2017 (unaudited)	2016 (unaudited)
Base salary	479	833	1,195	1,650
Holiday leave equivalent	177	53	177	80
Bonus - bonus bank*	(385)	119	(245)	259
Bonus - one-off payment*	(145)	88	(40)	173
Bonus - phantom shares*	(289)	88	(184)	146
Other benefits	6	17	25	50
Benefits after termination	-	125	-	180
Total remuneration of the Exchange Management Board	**(158)**	**1,323**	**930**	**2,538**
Remuneration of the Exchange Supervisory Board	**113**	**124**	**232**	**257**
Total remuneration of the key management personnel	**(45)**	**1,447**	**1,162**	**2,795**

** Negative bonus amounts in the three-month and six-month period ended 30 June 2017 represent release of provisions for bonuses of the Exchange Management Board for 2016 at PLN 981 thousand (including one-off payment of PLN 299 thousand, bonus bank of PLN 398 thousand, phantom shares of PLN 284 thousand).*
No provisions were released in the same periods of 2016.

15. Dividend

On 19 June 2017, the Ordinary General Meeting of GPW passed a resolution to distribute the Company's profit for 2016, including a payment of dividend in the total amount of PLN 90,240 thousand. The dividend per share is PLN 2.15. The dividend record date is 19 July 2017 and the dividend payment date is 2 August 2017.

The liability in respect of the dividend payment is presented under the Company's other current liabilities as at 30 June 2017. The dividend due to the State Treasury is PLN 31,580 thousand.

16. Seasonality

The activity of the Group shows no significant seasonality except for the revenue from the Commodity Market which shows seasonality during the year (the revenue of the first months of the year is higher than the revenue for the other quarters of the year).

17. Segment reporting

These Condensed Consolidated Interim Financial Statements disclose information on segments based on components of the entity which are monitored by managers to make operating decisions. Operating segments are components of the entity for which discrete financial information is available and whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess the Group's performance.

For management purposes, the Group is divided into segments based on the type of services provided. The three main reporting segments are as follows:

1) **Financial Market** segment, which covers the activity of the Group including organising trade in financial instruments on the exchange as well as related activities. The Group also engages in capital market education, promotion and information activities and organises an alternative trading system.

The Financial Market includes three subsegments:

- Trading (mainly revenue from trading fees which depends on turnover on the exchange, fees for access to and use of exchange systems);
- Listing (revenue from annual securities listing fees and one-off fees, e.g., for introduction of securities to trading on the exchange);
- Information services (mainly revenue from information services for data vendors, historical data, and revenue from the calculation and distribution of WIBID and WIBOR reference rates).

The Financial Market segment includes the companies GPW S.A., BondSpot S.A., and GPW Benchmark S.A.

2) **Commodity Market** segment, which covers the activity of the Group including organising trade in commodities as well as related activities. The Group provides clearing and settlement on the commodity market through the company Warsaw Commodity Clearing House ("IRGiT") and offers exchange trade in commodities (electricity, gas) and operates the Register of Certificates of Origin of electricity through the company POLPX. The GPW Group also earns revenues from the activity of a trade operator on the electricity market.

The Commodity Market includes the following sub-segments:

- Trading (mainly revenue on the Energy Market from spot and forward transactions in electricity, revenue from spot and forward transactions in natural gas, revenue on the Property Rights Market from trade in certificates of origin of electricity);
- Operation of the Register of Certificates of Origin of electricity (mainly revenue from issuance and cancellation of property rights in certificates of origin of electricity);
- CO_2 Allowances Market (trade in property rights in certificates of origin of electricity);
- Clearing (revenue from other fees paid by market participants (members)).

The Commodity Market segment includes the POLPX Group.

3) The segment **Other** includes the company IAiR.

The accounting policies for the operating segments are the same as the accounting policies of the GPW Group.

The Management Board monitors separately the operating results of the segments to make decisions about resources to be allocated and assess the results of their allocation and performance. Each segment is assessed up to the level of net profit or loss.

Transaction prices of transactions between the operating segments are set at arm's length, as for transactions with non-related parties.

The Group's business segments focus their activities on the territory of Poland.

The tables below present a reconciliation of the data analysed by the Management Board of the parent entity with the data shown in these Condensed Consolidated Interim Financial Statements.

(all amounts in PLN'000 unless indicated otherwise)

Table 14: Business segments: Statement of comprehensive income

	Six-month period ended 30 June 2017 *(unaudited)*					
	Financial Market	Commodity Market	Other	Total segments	Exclusions and adjust-ments	Total segments and exclusions
Sales revenue:	108,607	69,714	3,829	**182,150**	(3,481)	**178,669**
To third parties	*108,294*	*69,714*	*661*	***178,669***	-	***178,669***
Sales between segments and intragroup transactions	*313*	-	*3,168*	***3,481***	*(3,481)*	**-**
Operating expenses:	(58,941)	(28,447)	(45)	**(87,433)**	3,153	**(84,280)**
including depreciation and amortisation	*(10,100)*	*(3,317)*	-	***(13,417)***	-	***(13,417)***
Profit/(Loss) on sales	**49,666**	**41,267**	**3,784**	**94,717**	**(328)**	**94,389**
Profit/(Loss) on other operations	(3,667)	(785)	-	**(4,452)**	(469)	**(4,921)**
Operating profit/(loss)	**45,999**	**40,482**	**3,784**	**90,265**	**(797)**	**89,468**
Profit/(Loss) on financial operations:	(1,280)	15,397	14	**14,131**	(21,247)	**(7,116)**
interest income	*2,133*	*687*	*14*	***2,834***	*(46)*	***2,788***
dividend received	*1,266*	*20,000*	-	***21,266***	*(21,266)*	**-**
interest cost	*(3,745)*	*(5,186)*	-	***(8,931)***	*65*	***(8,866)***
Share of profit of associates	-	-	-	**-**	4,540	**4,540**
Profit before income tax	**44,719**	**55,879**	**3,798**	**104,396**	**(17,504)**	**86,892**
Income tax	(9,321)	(7,879)	-	**(17,200)**	-	**(17,200)**
Net profit	**35,398**	**48,000**	**3,798**	**87,196**	**(17,504)**	**69,692**

Table 15: Business segments: Statement of financial position

	As at 30 June 2017					
	Financial Market	Commodity Market	Other	Total segments	Exclusions and adjust-ments*	Total segments and exclusions
Total assets	825,111	389,315	8,143	**1,222,569**	(9,873)	**1,212,696**
Total liabilities	389,145	136,164	4,531	**529,840**	(41,735)	**488,105**
Net assets (assets - liabilities)	**435,966**	**253,151**	**3,612**	**692,729**	**31,862**	**724,591**

* *Exclusions and adjustments include mainly an adjustment of the valuation of investments in associates at cost in the financial segment, as required for valuation under the equity method (PLN 162 million), net of the impact of consolidation adjustments (PLN 132 million).*

(all amounts in PLN'000 unless indicated otherwise)

Table 16: Business segments: Statement of comprehensive income

	Six-month period ended 30 June 2016 *(restated, unaudited)*					
	Financial Market	Commodity Market	Other	Total segments	Exclusions and adjust-ments	Total segments and exclusions
Sales revenue:	87,673	67,045	1,684	**156,402**	(910)	**155,492**
To third parties	*87,459*	*67,045*	*988*	***155,492***	-	***155,492***
Sales between segments and intragroup transactions	*214*	-	*696*	***910***	*(910)*	**-**
Operating expenses:	(60,010)	(24,611)	(441)	**(85,062)**	915	**(84,148)**
including depreciation and amortisation	*(10,330)*	*(2,484)*	*(97)*	***(12,911)***	-	***(12,911)***
Profit/(Loss) on sales	**27,663**	**42,434**	**1,243**	**71,340**	**5**	**71,344**
Profit/(Loss) on other operations	(380)	317	44	**(19)**	(39)	**(58)**
Operating profit/(loss)	**27,283**	**42,751**	**1,287**	**71,320**	**(34)**	**71,286**
Profit/(Loss) on financial operations:	1,124	(817)	20	**327**	974	**1,301**
interest income	*2,395*	*919*	*20*	***3,334***	-	***3,334***
interest cost	*(3,766)*	*(1,813)*	-	***(5,579)***	-	***(5,579)***
Share of profit of associates	-	-	-	**-**	(14)	**(14)**
Profit before income tax	**28,407**	**41,934**	**1,307**	**71,646**	**926**	**72,573**
Income tax	(5,327)	(8,611)	-	**(13,938)**	-	**(13,938)**
Net profit	**23,080**	**33,323**	**1,307**	**57,709**	**926**	**58,635**

Table 17: Business segments: Statement of financial position

	As at 31 December 2016					
	Financial Market	Commodity Market	Other	Total segments	Exclusions and adjust-ments*	Total segments and exclusions
Total assets	783,586	343,360	3,763	**1,130,709**	27,139	**1,157,848**
Total liabilities	294,079	119,644	15	**413,738**	(1,142)	**412,596**
Net assets (assets - liabilities)	**489,507**	**223,716**	**3,748**	**716,971**	**28,281**	**745,252**

** Exclusions and adjustments include mainly an adjustment of the valuation of investments in associates at cost in the financial segment, as required for valuation under the equity method (PLN 160 million), net of the impact of consolidation adjustments (PLN 132 million).*

(all amounts in PLN'000 unless indicated otherwise)

Table 18: Business segments: Statement of financial position

	Three-month period ended 30 June 2017 *(unaudited)*					
	Financial Market	Commodity Market	Other	Total segments	Exclusions and adjust-ments	Total segments and exclusions
Sales revenue:	52,726	34,684	2,239	**89,649**	(2,014)	**87,635**
To third parties	*52,586*	*34,684*	*365*	***87,635***	-	***87,635***
Sales between segments and intragroup transactions	*140*	-	*1,874*	***2,014***	*(2,014)*	**-**
Operating expenses:	(26,957)	(12,517)	26	**(39,448)**	1,683	**(37,765)**
including depreciation and amortisation	*(5,192)*	*(1,832)*	-	***(7,024)***	-	***(7,024)***
Profit/(Loss) on sales	**25,769**	**22,167**	**2,265**	**50,201**	**(331)**	**49,870**
Profit/(Loss) on other operations	(520)	152	-	**(368)**	(469)	**(837)**
Operating profit/(loss)	**25,249**	**22,319**	**2,265**	**49,833**	**(800)**	**49,033**
Profit/(Loss) on financial operations:	498	19,800	3	**20,301**	(21,260)	**(959)**
interest income	*1,135*	*339*	*3*	***1,477***	*(46)*	***1,431***
interest cost	*(1,911)*	*(430)*	-	***(2,341)***	*65*	***(2,276)***
Share of profit of associates	-	-	-	**-**	3,045	**3,045**
Profit before income tax	**25,747**	**42,119**	**2,268**	**70,134**	**(19,015)**	**51,119**
Income tax	(4,890)	(4,274)	(9)	**(9,173)**	-	**(9,173)**
Net profit	**20,857**	**37,845**	**2,259**	**60,961**	**(19,015)**	**41,946**

(all amounts in PLN'000 unless indicated otherwise)

Table 19: Business segments: Statement of financial position

	Three-month period ended 30 June 2016 *(restated, unaudited)*					
	Financial Market	Commodity Market	Other	Total segments	Exclusions and adjust-ments	Total segments and exclusions
Sales revenue:	43,076	30,923	955	**74,954**	(493)	**74,461**
To third parties	*42,971*	*30,923*	*567*	***74,461***	-	***74,461***
Sales between segments and intragroup transactions	*105*	-	*388*	***493***	*(493)*	**-**
Operating expenses:	(27,786)	(10,479)	(258)	**(38,523)**	498	**(38,026)**
including depreciation and amortisation	*(5,232)*	*(1,257)*	*(52)*	***(6,541)***	-	***(6,541)***
Profit/(Loss) on sales	**15,290**	**20,444**	**697**	**36,431**	**5**	**36,435**
Profit/(Loss) on other operations	32	124	39	**195**	(39)	**156**
Operating profit/(loss)	**15,322**	**20,568**	**736**	**36,626**	**(34)**	**36,593**
Profit/(Loss) on financial operations:	1,633	(306)	17	**1,344**	974	**2,318**
interest income	*1,187*	*469*	*17*	***1,673***	-	***1,673***
interest cost	*(1,880)*	*(907)*	-	***(2,787)***	-	***(2,787)***
Share of profit of associates	-	-	-	**-**	1,354	**1,354**
Profit before income tax	**16,955**	**20,262**	**753**	**37,970**	**2,294**	**40,265**
Income tax	(3,005)	(4,143)	-	**(7,147)**	-	**(7,147)**
Net profit	**13,950**	**16,120**	**753**	**30,823**	**2,294**	**33,118**

18. Change of the VAT policy for services provided by the subsidiary POLPX

In 2011 – 2016, POLPX considered fees charged from Exchange Members on transactions concluded on the Property Rights Market, the Commodity Forward Instruments Market in Electricity and Gas and for the maintenance of the Register of Certificates of Origin (jointly "Fees") to be fees exempted from VAT.

POLPX's approach relied on an earlier opinion of an independent advisor which suggested that the VAT exemption was applicable to the Fees.

Following a detailed analysis of the issue in question, the POLPX Management Board decided in January 2017 to modify its tax policy applicable to the Fees, to treat them as subject to VAT at the basic rate, to correct VAT payments for the period from December 2011 to December 2016, and to treat income from such Fees earned as of January 2017 as taxable.

As a result of the decision, POLPX paid to the account of the tax office the amount of outstanding VAT to the extent of those tax liabilities which were not subject to limitation, for the Fees in that period, in a total amount of PLN 69,729 thousand on the basis of tax returns with corrections for each month, filed on 15 March 2017. At the same time, POLPX issued correction invoices for its counterparties and paid interest on outstanding tax liabilities according to a calculation as at 15 March 2017 using a reduced interest rate in the amount of PLN 10,652 thousand (including PLN 9,916 thousand for the years 2011-2016 and PLN 736 thousand for 2017). At the same time, POLPX exercised the right to adjust up to 100% of the amount of input VAT for the period from December 2011 to December 2016 with the VAT which was not deducted due to the applied sales ratio. The total correction of the input VAT was PL 1,412 thousand. The total amount paid to the tax office on 15 March 2017 was PLN 78,969 thousand.

The details of the recognition of the VAT correction for the years 2011-2016 were disclosed in Note 31 to the Consolidated Financial Statements of the GPW Group as at 31 December 2016.

On 3 April 2017, POLPX received a letter of the tax office concerning an increase of the interest rate applicable to the tax liabilities, which required POLPX to pay additional interest of PLN 3,841 thousand. This amount was recognised under financial expenses in the statement of comprehensive income for the six-month period ended 30 June 2017.

Following discussions conducted by the POLPX Management Board, POLPX's biggest counterparties have declared the intention to pay the correction invoices after obtaining a tax interpretation which confirms that they are eligible to deduct the input VAT under POLPX's correction invoices. Other counterparties should, as a rule, also be eligible to deduct VAT under the correction invoices in the current or future financial periods. Consequently, the correction should be neutral to POLPX's clients as the VAT under the correction invoices issued by POLPX should be fully deductible by the vast majority of POLPX's clients; in the opinion of the Management Board, this should ensure that the vast majority of the outstanding amounts will be paid.

In May 2017, POLPX received a positive interpretation from the National Tax Information Board, confirming the applicability of deduction of the VAT in correction invoices received by POLPX counterparties, which initiated the payment of the liabilities by all counterparty groups. As at 30 June 2017, PLN 36,041 thousand (51.68%) was paid out of the total amount of the correction invoices issued to the counterparties at PLN 69,729 thousand. As at 14 July 2017, the amount of paid liabilities was PLN 41,451 thousand (59.44%).

Furthermore, the POLPX Management Board has assessed the probability of receiving the payment of debt under the correction invoices in view of the fact that some entities no longer maintain ongoing relations with POLPX or have discontinued their activity.

As a result of this assessment, as at 31 December 2016, the Group did not recognise trade receivables resulting from the tax adjustment at PLN 3.5 million. That amount did not change as at 30 June 2017. The amount represents the best estimate of the Management Board as at the reporting date, based in particular on POLPX's assumed ability to receive the payments from its counterparties.

The table below presents the impact of the adjustments on the statement of comprehensive income for the six-month period ended 30 June 2016.

(all amounts in PLN'000 unless indicated otherwise)

Table 20: Impact of corrections on selected items of the statement of comprehensive income

	Six-month period ended 30 June		
	2016 *(previously reported, unaudited)*	*impact of changes*	**2016** *(restated, unaudited)*
Revenue	155,492		155,492
Operating expenses	(84,148)		(84,148)
Other income	344	208	552
Other expenses	(610)		(610)
Operating profit	**71,078**	**208**	**71,286**
Financial income	7,209		7,209
Financial expenses	(4,097)	(1,811)	(5,908)
Share of profit of associates	(14)		(14)
Profit before income tax	**74,176**	**(1,603)**	**72,573**
Income tax expense	(13,898)	(40)	(13,938)
Profit for the period	**60,278**	**(1,643)**	**58,635**
Basic/Diluted earnings per share (PLN)	**1.44**		**1.40**

The table below presents the impact of the adjustments on the statement of comprehensive income for the three-month period ended 30 June 2016.

Table 21: Impact of corrections on selected items of the statement of comprehensive income

	Three-month period ended 30 June		
	2016 *(previously reported, unaudited)*	*impact of changes*	**2016** *(restated, unaudited)*
Revenue	74,461		74,461
Operating expenses	(38,026)		(38,026)
Other income	100	104	204
Other expenses	(46)		(46)
Operating profit	**36,489**	**104**	**36,593**
Financial income	5,246		5,246
Financial expenses	(2,022)	(906)	(2,928)
Share of profit of associates	1,354		1,354
Profit before income tax	**41,067**	**(802)**	**40,265**
Income tax expense	(7,127)	(20)	(7,147)
Profit for the period	**33,940**	**(822)**	**33,118**
Basic/Diluted earnings per share (PLN)	**0.81**		**0.79**

19. Events after the balance sheet date

There were no events after the balance sheet date impacting these financial statements.

The Condensed Consolidated Interim Financial Statements are presented by the Management Board of the Warsaw Stock Exchange:

Michał Cieciórski – Vice-President of the Management Board ....

Jacek Fotek – Vice-President of the Management Board ....

Dariusz Kułakowski – Member of the Management Board ....

Signature of the person responsible for keeping the accounting records:

Sylwia Sawicka – Chief Accountant ....

Warsaw, 21 July 2017

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This document is a free translation of the Polish original. Terminology current in Anglo-Saxon countries has been used where practicable for the purposes of this translation in order to aid understanding. The binding Polish original should be referred to in matters of interpretation.

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2017 TO 30 JUNE 2017

To the Shareholders of Giełda Papierów Wartościowych w Warszawie S.A.

Introduction

We have reviewed the accompanying 30 June 2017 condensed separate interim financial statements of Giełda Papierów Wartościowych w Warszawie S.A., with its registered office in Warsaw, ul. Książęca 4 ("the condensed separate interim financial statements"), which comprise:

- the separate statement of financial position as at 30 June 2017,
- the separate statements of comprehensive income for the three-month and six-month periods ended 30 June 2017,
- the separate statement of changes in equity for the six-month period ended 30 June 2017,
- the separate statement of cash flows for the six-month period ended 30 June 2017, and
- notes to the condensed interim financial statements.

Management of the company is responsible for the preparation and presentation of these condensed separate interim financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting* as adopted by the European Union. Our responsibility is to express a conclusion on these condensed separate interim financial statements, based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as adopted by the resolution dated 10 February 2015 of the National Council of Certified Auditors as the National Standard on Assurance 2410. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with National Standards on Assurance or International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed separate interim financial statements of Giełda Papierów Wartościowych w Warszawie S.A. as at 30 June 2017 are not prepared, in all material respects, in accordance with International Accounting Standard 34 *Interim Financial Reporting* as adopted by the European Union.

On behalf of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
registration number 458
ul. Inflancka 4A
00-189 Warsaw

Signed on the Polish original

....
Mirosław Matusik
Key Certified Auditor
Registration No. 90048
Limited Liability Partner with power of attorney

21 July 2017

Condensed Separate Interim
Financial Statements of

Giełda Papierów Wartościowych w Warszawie S.A.

for the six-month period ended on 30 June 2017

July 2017

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(all amounts in PLN'000 unless stated otherwise)

I. SEPARATE STATEMENT OF FINANCIAL POSITION

	Note	As at	
		30 June 2017 *(unaudited)*	31 December 2016
Non-current assets		**466,977**	**472,942**
Property, plant and equipment	**2**	97,470	101,034
Intangible assets	**3**	71,444	75,918
Investment in associates	**4**	36,959	36,959
Investment in subsidiaries	**4**	254,985	254,985
Available-for-sale financial assets		278	288
Non-current prepayments		5,841	3,758
Current assets		**337,304**	**291,788**
Inventories		53	58
Trade and other receivables		38,198	23,941
Other current financial assets	**6.2**	10,046	-
Cash and cash equivalents		289,007	267,789
TOTAL ASSETS		**804,281**	**764,730**

The attached Notes are an integral part of these Condensed Separate Interim Financial Statements.

(all amounts in PLN'000 unless stated otherwise)

SEPARATE STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Note	As at 30 June 2017 *(unaudited)*	As at 31 December 2016
Equity		**418,252**	**472,102**
Share capital		63,865	63,865
Other reserves		(114)	(114)
Retained earnings		354,501	408,351
Non-current liabilities		**252,174**	**136,794**
Liabilities on bonds issue		243,378	123,459
Employee benefits payable	**5**	1,296	1,435
Deferred tax liability		5,276	9,676
Other non-current liabilities		2,224	2,224
Current liabilities		**133,855**	**155,834**
Liabilities on bonds issue		1,895	122,882
Trade payables		2,727	4,297
Employee benefits payable	**5**	4,895	6,490
Corporate income tax payable		6,822	14,445
Accruals and deferred income		23,903	1,712
Provisions for other liabilities and charges		317	317
Other current liabilities	**7**	93,296	5,691
TOTAL EQUITY AND LIABILITIES		**804,281**	**764,730**

The attached Notes are an integral part of these Condensed Separate Interim Financial Statements.

(all amounts in PLN'000 unless stated otherwise)

II. SEPARATE STATEMENT OF COMPREHENSIVE INCOME

	Three-month period ended 30 June		Six-month period ended 30 June	
	2017 *(unaudited)*	**2016** *(unaudited)*	**2017** *(unaudited)*	**2016** *(unaudited)*
Revenue	50,900	40,885	104,452	83,216
Operating expenses	(24,557)	(25,173)	(54,031)	(54,878)
Other income	303	55	501	190
Other expenses	(808)	(24)	(4,177)	(571)
Operating profit	**25,838**	**15,743**	**46,745**	**27,957**
Financial income	2,353	3,550	3,302	4,977
Financial expenses	(1,921)	(1,994)	(4,692)	(4,011)
Profit before income tax	**26,270**	**17,299**	**45,355**	**28,923**
Income tax expense	(4,718)	(2,967)	(8,966)	(5,226)
Profit for the period	**21,552**	**14,332**	**36,389**	**23,697**
Effective portion of change of fair value of cash flow hedges	-	*156*	-	*163*
Items that may be reclassified to profit or loss	-	156	-	163
Other comprehensive income after tax	**-**	**156**	**-**	**163**
Total comprehensive income	**21,552**	**14,488**	**36,389**	**23,860**

The attached Notes are an integral part of these Condensed Separate Interim Financial Statements.

(all amounts in PLN'000 unless stated otherwise)

III. SEPARATE STATEMENT OF CASH FLOWS

	Six-month period ended 30 June	
	2017 (unaudited)	2016 (unaudited)
Cash flows from operating activities:	**39,248**	**58,125**
Cash generated from operation before tax	66,794	61,091
Net profit of the period	36,389	23,697
Adjustments:	30,405	37,394
Income tax	8,966	5,226
Depreciation of property, plant and equipment	4,673	4,979
Amortisation of intangible assets	5,039	4,955
Foreign exchange (gains)/losses	212	(129)
(Profit)/Loss on sale of property, plant and equipment and intangible assets	(13)	15
Gains or losses on revaluation of investments in other entities	11	-
Financial (income)/expense of available-for-sale financial assets	-	(8)
Financial income from dividends	(1,266)	(2,090)
Income from interest on deposits	(2,031)	(2,276)
Income on loans granted	(46)	-
Interest, cost and premium on issued bonds	3,486	4,003
Change of non-current prepayments	(2,083)	(306)
Other	(140)	203
Change in current assets and liabilities:	13,597	22,822
(Increase)/Decrease of inventories	*8*	*51*
(Increase)/Decrease of trade and other receivables	*(6,574)*	*1,654*
Increase/(Decrease) of trade payables	*(1,573)*	*1,345*
Increase/(Decrease) of employee benefits payable	*(1,596)*	*36*
Increase/(Decrease) of accruals and deferred income	*22,193*	*20,455*
Increase/(Decrease) of other liabilities (excluding investment liabilities and dividend payable)	*1,139*	*(720)*
Income tax (paid)/refunded	(27,546)	(2,966)

The attached Notes are an integral part of these Condensed Separate Interim Financial Statements.

(all amounts in PLN'000 unless stated otherwise)

SEPARATE STATEMENT OF CASH FLOWS (CONTINUED)

	Six-month period ended 30 June	
	2017 *(unaudited)*	**2016** *(unaudited)*
Cash flows from investing activities:	**(13,265)**	**(2,829)**
Purchase of property, plant and equipment and advances for property, plant and equipment	(4,037)	(3,343)
Purchase of intangible assets and advances for intangible assets	(1,835)	(1,961)
Proceeds from sale of property, plant and equipment and intangible assets	474	50
Loans granted	(10,000)	-
Interest received	2,031	2,276
Dividends received	102	150
Cash flows from financing activities:	**(4,553)**	**(3,770)**
Paid interest	(3,998)	(3,770)
Proceeds from bond issue	119,929	-
Buy-back of bonds issued	(120,484)	-
Net (decrease)/increase in cash and cash equivalents	**21,430**	**51,526**
Impact of fx rates on cash balance in currencies	*(212)*	*129*
Cash and cash equivalents - opening balance	**267,789**	**235,560**
Cash and cash equivalents - closing balance	**289,007**	**287,215**

The attached Notes are an integral part of these Condensed Separate Interim Financial Statements.

(all amounts in PLN'000 unless stated otherwise)

IV. SEPARATE STATEMENT OF CHANGES IN EQUITY

	Share capital	Other reserves	Retained earnings	Total equity
As at 31 December 2016	**63,865**	**(114)**	**408,351**	**472,102**
Dividends	-	-	(90,239)	**(90,239)**
Transactions with owners recognised directly in equity	**-**	**-**	**(90,239)**	**(90,239)**
Profit for the six-month period ended 30 June 2017	-	-	36,389	**36,389**
Total comprehensive income for the six-month period ended 30 June 2017 *(unaudited)*	**-**	**-**	**36,389**	**36,389**
As at 30 June 2017 *(unaudited)*	**63,865**	**(114)**	**354,501**	**418,252**

	Share capital	Other reserves	Retained earnings	Total equity
As at 31 December 2015	**63,865**	**(304)**	**391,320**	**454,881**
Dividends	-	-	(99,054)	**(99,054)**
Transactions with owners recognised directly in equity	**-**	**-**	**(99,054)**	**(99,054)**
Profit for the year ended 31 December 2016	-	-	116,085	**116,085**
Other comprehensive income	-	189	-	**189**
Total comprehensive income for the year ended 31 December 2016	**-**	**189**	**116,085**	**116,274**
As at 31 December 2016	**63,865**	**(114)**	**408,351**	**472,102**

The attached Notes are an integral part of these Condensed Separate Interim Financial Statements.

(all amounts in PLN'000 unless stated otherwise)

SEPARATE STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Share capital	Other reserves	Retained earnings	Total equity
As at 31 December 2015	**63,865**	**(304)**	**391,320**	**454,881**
Dividends	-	-	(99,054)	**(99,054)**
Transactions with owners recognised directly in equity	**-**	**-**	**(99,054)**	**(99,054)**
Profit for the six-month period ended 30 June 2016	-	-	23,697	**23,697**
Other comprehensive income	-	163	-	**163**
Total comprehensive income for the six-month period ended 30 June 2016 *(unaudited)*	**-**	**163**	**23,697**	**23,860**
As at 30 June 2016 *(unaudited)*	**63,865**	**(141)**	**315,963**	**379,687**

The attached Notes are an integral part of these Condensed Separate Interim Financial Statements.

V. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1. Basis of preparation of the financial statements and description of the main accounting policies

These Condensed Separate Interim Financial Statements of Giełda Papierów Wartościowych w Warszawie S.A. have been prepared according to the International Accounting Standard 34 "Interim Financial Reporting" approved by the European Union.

In the opinion of the Management Board, in the notes to the Condensed Separate Interim Financial Statements of Giełda Papierów Wartościowych w Warszawie S.A., GPW included all material information necessary for the proper assessment of the assets and the financial position of the Company as at 30 June 2017 and its financial results in the period from 1 January 2017 to 30 June 2017.

These Condensed Separate Interim Financial Statements have been prepared on the assumption that the Company will continue as a going concern in the foreseeable future. As at the date of preparation of these Condensed Separate Interim Financial Statements, in the opinion of the Management Board of the Company, there are no circumstances indicating any threats to GPW's ability to continue operations.

The Company has prepared the Condensed Separate Interim Financial Statements in accordance with the same accounting policies as those described in the audited Financial Statements for the year ended 31 December 2016 other than for changes resulting from the application of new standards as described below. The Condensed Separate Interim Financial Statements for the six-month period ended 30 June 2017 should be read in conjunction with the audited Separate Financial Statements for the year ended 31 December 2016.

The following amendments of existing standards adopted by the European Union are effective for the financial statements of the Group for the financial year started on 1 January 2017:

1) Amendments to IAS 12 Income Taxes – recognition of deferred tax assets for unrealised losses;
2) Amendments to IAS 7 Statement of Cash Flows – an entity shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

According to the Company's assessment, these interpretations and amendments to the standards have no material impact on the Condensed Separate Interim Financial Statements.

The critical accounting estimates and judgements used by the Management Board in the application of the Company's accounting policy and the key sources of uncertainty were the same as those used in the Separate Financial Statements as at 31 December 2016, other than the judgements concerning fees covering the cost of capital market supervision described in Note 6.1.

(all amounts in PLN'000 unless stated otherwise)

2. Property, plant and equipment

Table 1: Change of the net carrying value of property, plant and equipment by category

	Period of	
	6 months ended 30 June 2017 *(unaudited)*	**12 months ended 31 December 2016**
Net carrying value - opening balance	**101,034**	**94,773**
Additions	1,110	16,172
Disposals	(1)	(465)
Depreciation charge	(4,673)	(9,446)
Net carrying value - closing balance	**97,470**	**101,034**

Contracted investment commitments for property, plant and equipment were PLN 502 thousand as at 30 June 2017, including mainly modernisation of the access control system and restructuring of GPW offices.

Contracted investment commitments for property, plant and equipment were PLN 811 thousand as at 31 December 2016, including mainly restructuring of GPW offices.

3. Intangible assets

Table 2: Change of the net carrying value of intangible assets by category

	Period of	
	6 months ended *30 June 2017* *(unaudited)*	**12 months ended 31 December 2016**
Net carrying value - opening balance	**75,918**	**81,601**
Additions	1,025	4,211
Disposals	(460)	-
Amortisation charge	(5,039)	(9,894)
Net carrying value - closing balance	**71,444**	**75,918**

Contracted investment commitments for intangible assets amounted to PLN 62 thousand as at 30 June 2017 and related mainly to the implementation of the budgeting module in the financial and accounting system.

Contracted investment commitments for intangible assets amounted to PLN 527 thousand as at 31 December 2016 and related mainly to:

- electronic document flow system;
- financial and accounting system.

4. Investment in subsidiaries, associates and other entities

As at 30 June 2017 and as at 31 December 2016, the Company held interest in the following subsidiaries:

- Towarowa Giełda Energii S.A. ("Polish Power Exchange", "POLPX"), the parent entity of the POLPX Group;
- BondSpot S.A. ("BondSpot");
- GPW Benchmark S.A. ("GPW B", formerly GPW Centrum Usług S.A.);
- Instytut Analiz i Ratingu S.A. ("IAiR").

As at 30 June 2017 and as at 31 December 2016, the Company held interest in the following associates:

- Krajowy Depozyt Papierów Wartościowych S.A. ("KDPW"), parent entity of the KDPW Group;
- Centrum Giełdowe S.A.;
- Aquis Exchange Limited.

5. Provisions and impairment losses for assets

In the period from 1 January 2017 to 30 June 2017, impairment losses for assets were adjusted as follows:

- impairment allowances for receivables: an increase of PLN 408 thousand (provision additions of PLN 634 thousand, releases of PLN 142 thousand, receivables were written off as unenforceable at PLN 84 thousand).

Furthermore, in the period from 1 January 2017 to 30 June 2017, there were the following changes in estimates relating to provisions:

- provisions against employee benefits (mainly annual bonuses) were reduced by PLN 1,733 thousand (usage of PLN 4,505 thousand, provision additions of PLN 3,772 thousand, releases of PLN 1,000 thousand,).

6. Related party transactions

6.1. Information about transactions with entities which are related parties of the State Treasury

Polish Financial Supervision Authority

The Regulation of the Minister of Finance which determines among others the calculation method as well as the terms and conditions of the payment of fees by relevant entities to the Polish Financial Supervision Authority took effect as of 1 January 2016. According to the Regulation, the Chairperson of the Polish Financial Supervision Authority publishes the rates and the indicators necessary to calculate the fees in a public communique promulgated in the Official Journal of the Polish Financial Supervision Authority by 31 August of each calendar year. On that basis, the entities obliged to pay the fee will calculate the final amount of the annual fee due for the year and pay the fee by 30 September of the calendar year.

In the six-month period ended 30 June 2017, the operating expenses of GPW included an estimated amount of the annual fee at PLN 6,260 thousand. The fee charged to the expenses of GPW in the six-month period ended 30 June 2016 was PLN 6,613 thousand.

6.2. Transactions with subsidiaries and associates

On 11 May 2017, the Warsaw Stock Exchange granted a loan to the Polish Power Exchange for the financing of payments to the Tax Office in connection with the amendment of POLPX's VAT policy applicable to certain services and the correction of VAT payments in the period from December 2011 to December 2016, inclusive.

The loan matures on 31 March 2018 and bears interest at WIBOR 1M plus a margin of 1.4% per annum. The loan stood at PLN 10,046 thousand as at 30 June 2017.

On 18 May 2017, the Ordinary General Meeting of Centrum Giełdowe S.A. decided to allocate a part of the profit equal to PLN 413 thousand to a dividend payment. The dividend attributable to GPW is PLN 102 thousand. The dividend was paid on 31 May 2017.

On 14 June 2017, the Ordinary General Meeting of BondSpot decided to allocate a part of the profit equal to PLN 1,200 thousand to a dividend payment. The dividend attributable to GPW was PLN 1,164 thousand as at 30 June 2017. The dividend payment date is 21 July 2017.

On 28 September 2016, the following companies:

- Giełda Papierów Wartościowych w Warszawie S.A.,
- Towarowa Giełda Energii S.A.,
- BondSpot S.A. and
- GPW Benchmark S.A. (formerly: GPW Centrum Usług S.A.)

entered into a notarised agreement creating the GPW Tax Group ("GPW TG" or "TG") for a period of three tax years from 1 January 2017 to 31 December 2019.

The companies participating in TG are not treated individually but collectively as one corporate income taxpayer under the Corporate Income Tax Act. Such taxpayer's income is determined as the surplus of the sum of incomes of the companies participating in TG over the sum of their losses.

As the Company Representing the Tax Group, Giełda Papierów Wartościowych w Warszawie S.A. is responsible for the calculation and payment of quarterly corporate income tax advances of the Tax Group pursuant to the Corporate Income Tax Act. The amount of GPW's receivables due from the associates participating in TG in respect of income tax paid on behalf of such associates was PLN 6,517 thousand as at 30 June 2017, presented under "Trade and other receivables" in the Statement of Financial Position.

7. Dividend

On 19 June 2017, the Ordinary General Meeting of GPW passed a resolution to distribute the Company's profit for 2016, including a payment of dividend in the total amount of PLN 90,240 thousand. The dividend per share is PLN 2.15. The dividend record date is 19 July 2017 and the dividend payment date is 2 August 2017.

The liability in respect of the dividend payment is presented under the Company's other current liabilities as at 30 June 2017. The dividend due to the State Treasury is PLN 31,580 thousand.

8. Events after the balance sheet date

There were no events after the balance sheet date, i.e., 30 June 2017, impacting these Condensed Separate Interim Financial Statements of GPW for the six-month period ended 30 June 2017.

The separate financial statements are presented by the Management Board of the Warsaw Stock Exchange:

Michał Cieciórski – Vice-President of the Management Board ....

Jacek Fotek – Vice-President of the Management Board ....

Dariusz Kułakowski – Member of the Management Board ....

Signature of the person responsible for keeping the accounting records:

Sylwia Sawicka – Chief Accountant ....

Warsaw, 21 July 2017

Management Board's Statement

The Management Board of the Warsaw Stock Exchange declares that the registered audit firm performing the audit of the Condensed Separate Financial Statements of the Warsaw Stock Exchange for the six-month period ended 30 June 2017 and the Condensed Consolidated Financial Statements of the Warsaw Stock Exchange Group for the six-month period ended 30 June 2017 has been appointed pursuant to the binding regulations. The audit firm and the certified auditors performing the audit meet the requirements necessary for issuing an objective and independent audit opinion on the separate and the consolidated financial statement, pursuant to the binding provisions of the law and professional standards.

Michał Cieciórski
Vice-President of the Management Board

Jacek Fotek
Vice-President of the Management Board

Dariusz Kułakowski
Member of the Management Board

Warsaw, 21st July 2017

Management Board's Statement

The Management Board of the Warsaw Stock Exchange declares to the best of its knowledge that:

- The Condensed Separate Financial Statement of the Warsaw Stock Exchange for the six-month period ended 30 June 2017, including comparative information, have been prepared in accordance with the binding accounting policies and that these give a true, fair and clear view of the financial position and results of the Warsaw Stock Exchange,

- The Condensed Consolidated Financial Statement of the Warsaw Stock Exchange Group for the six-month period ended 30 June 2017, including comparative information, have been prepared in accordance with the binding accounting policies and that these give a true, fair and clear view of the financial position and results of the Warsaw Stock Exchange Group,

- The Consolidated report on the activities of the Warsaw Stock Exchange Group for the six-month period ended 30 June 2017 gives the true view of the Warsaw Stock Exchange Group development, achievements and situation, including the main threats and risks.

Michał Cieciórski
Vice-President of the Management Board

Jacek Fotek
Vice-President of the Management Board

Dariusz Kułakowski
Member of the Management Board

Warsaw, 21st July 2017